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IN THE

Supreme Court of the United States

OCTOBER TERM, 1994

SEMINOLE TRIBE OF FLORIDA,
Petitioner,

v.

STATE OF FLORIDA, and LAWTON CHILES,
Governor of Florida,
Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Eleventh Circuit

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APPENDIX TO PETITION FOR A WRIT OF CERTIORARI

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APPENDIX A

UNITED STATES COURT OF APPEALS
ELEVENTH CIRCUIT

Nos. 92-4652, 92-6244

SEMINOLE TRIBE OF FLORIDA,
Plaintiff-Appellee,

v.

STATE OF FLORIDA, LAWTON CHILES,
Governor of the State of Florida,
Defendants-Appellants.

POARCH CREEK INDIANS,
POARCH BAND OF CREEK INDIANS,
Plaintiff-Appellant,

v.

STATE OF ALABAMA, JAMES E. FOLSOM,
Governor, State of Alabama,
Defendants-Appellees.

Appeal from the United States District Court
for the Southern District of Florida

Appeal from the United States District Court
for the Southern District of Alabama

Jan. 18, 1994

Before TJOFLAT, Chief Judge, BLACK, Circuit Judge, and JOHNSON, Senior Circuit Judge.

TJOFLAT, Chief Judge:

These two consolidated cases present the following issue: whether Congress successfully abrogated the states' Eleventh Amendment sovereign immunity from suit by enacting the Indian Gaming Regulatory Act ("IGRA"), Pub.L. No. 100-497, 102 Stat. 2467 (1988) (codified at 25 U.S.C. §§ 2701-21).[1] The two district court judges below agreed that IGRA manifested Congress' attempt to abrogate the states' Eleventh Amendment immunity; they disagreed, however, as to whether Congress possesses the power under the Constitution to accomplish that abrogation.

We hold that, although decisions of the Supreme Court demonstrate that Congress does possess the power to abrogate the states' Eleventh Amendment sovereign immunity in certain cases, Congress did not possess that power when enacting IGRA under the Indian Commerce Clause, U.S. Const. art. I, § 8, cl. 3. Thus, the states retain their sovereign immunity and the federal courts do not have subject-matter jurisdiction over suits brought under IGRA. Accordingly, these cases must be dismissed.

In part I, we provide a brief summary of the Indian Gaming Regulatory Act here at issue. In part II, we set forth the facts relevant to these cases. After establishing our jurisdiction and the appropriate standard of review in part III, we examine the Eleventh Amendment issues in part IV and then analyze the effect of our holding in part V.[2]

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[1] Unless so indicated, all cited sections refer to Title 25 of the United States Code.

[2] Defendants raise one issue for the first time on appeal: the Tenth Amendment. Citing the Supreme Court's decision in *New York v. United States*, —— U.S. ——, 112 S.Ct. 2408, 120 L.Ed.2d 120 (1992), in which the Court held that Congress could not coercively interfere with the reserved powers of the states, defendants contend that IGRA coercively forces the states to negotiate with Indian tribes in violation of the Tenth Amendment.

"It is not the practice of this court to consider issues on appeal that were not raised in the district court." *Allen v. Alabama*, 728 F.2d 1384, 1387 (11th Cir. 1984); *Moore v. Morgan*, 922 F.2d 1553, 1556 n. 3 (11th Cir. 1991). Accordingly, we decline to address defendants' contention.

I.

In 1987, the Supreme Court held that a state could not enforce its "civil/regulatory" gaming laws in a manner that would prohibit gaming on Indian lands within its borders. *California v. Cabazon Band of Mission Indians*, 480 U.S. 202, 107 S.Ct. 1083, 94 L.Ed.2d 244 (1987). That decision left Indian gaming largely unregulated by the states; similarly, "existing federal law d[id] not provide clear standards or regulations for the conduct of gaming on Indian lands." 25 U.S.C. § 2701(3). In an attempt to supply some much-needed regulation, and after contentious debate concerning the appropriate state role in the regulation of Indian gaming, Congress enacted the Indian Gaming Regulatory Act. IGRA's primary purpose was "to provide a statutory basis for the operation of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments." § 2702(1). In order to accomplish this goal, Congress defined classes of Indian gaming, § 2703(6)-(8); established the National Indian Gaming Commission to monitor and regulate some forms of Indian gaming, §§ 2704-08; and provided a compacting procedure by which states might participate in the regulation of certain forms of Indian gaming, § 2710(d).

Briefly summarized, Congress divided Indian gaming into three "classes." Class I gaming, which is governed and regulated solely by individual Indian tribes, includes little more than "social games solely for prizes of minimal value. . . ." § 2703(6). Class II gaming, which is subject to certain federal regulations, includes bingo and

comparable games as well as non-banking card games where not prohibited by state law.[a] § 2703(7)(A). Neither of these classes is relevant to the cases on appeal.

These cases address the third class of gaming. Class III gaming is defined residually; it includes "all forms of gaming that are not class I gaming or class II gaming." § 2703(8). Specifically excluded from class II, and therefore within the parameters of class III, are banking card games and "electronic or electromechanical facsimiles of any game of chance or slot machines of any kind." § 2703(7)(B). Class III gaming is the type of gaming most profitable to the tribes; it also is the gaming in which the states desire the greatest regulatory oversight.

In order to achieve a compromise between the interests of the states and the interests of the Indian tribes, Congress mandated that class III gaming activities would be lawful on Indian lands only when those activities are (a) authorized by the tribe; (b) located in a state that permits such gaming; and, most importantly, (c) "conducted in conformance with a Tribal-State compact entered into by the Indian tribe and the State . . . that is in effect." § 2710(d)(1). To ensure that dilatory actions by the state could not preclude or unreasonably delay Indian gaming, IGRA also delineated a negotiating process designed to culminate in the Tribal-State compact and provided mechanisms to remedy state misconduct.

Under the statute, the tribe initiates the compacting process by requesting that the state enter into negotiations for the purpose of concluding a Tribal-State compact governing the conduct of gaming activities; in IGRA, Congress mandated that the state "shall negotiate with the Indian tribe in good faith to enter into a compact." §2710 (d)(3)(A). If these negotiations bear fruit, the compact must be approved by the Secretary of the Interior and published in the Federal Register. § 2710(d)(8).

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[a] Non-banking card games are those in which the gamblers compete against each other rather than against the house.

Congress also anticipated that Tribal-State negotiations would not always produce a mutually satisfactory compact; it thus provided tribes with a remedy in the federal courts:

> (A) The United States district courts shall have jurisdiction over—
>
> > (i) any cause of action initiated by an Indian tribe arising from the failure of a State to enter into negotiations with the Indian tribe for the purpose of entering into a Tribal-State compact under paragraph (3) or to conduct such negotiations in good faith. . . .
> >
> > . . . .
>
> (B)(i) An Indian tribe may initiate a cause of action described in subparagraph (A)(i) only after the close of the 180-day period beginning on the date on which the Indian tribe requested the State to enter into negotiations under paragraph (3)(A).

§ 2710(d)(7)(A)(i) & (B)(i). If the district court finds that the state indeed has failed to negotiate in good faith, that court "shall order the State and the Indian Tribe to conclude such a compact within a 60-day period." § 2710(d)(7)(B)(iii). If that fails, "the Indian tribe and the State shall each submit to a mediator appointed by the court a proposed compact that represents their last best offer for a compact." § 2710(d)(7)(B)(iv). The mediator then selects the better of the two proposals and submits it to the tribe and the state. The state then either may consent to the compact within sixty days, in which case the compact is treated as if it were the product of negotiations; or may refuse to consent, in which case the Secretary of the Interior provides procedures to regulate the tribe's class III gaming. § 2710(d)(7)(B)(vi) & (vii).

Defendants in these two cases assert that the federal jurisdiction granted by § 2710(d)(7) is contrary to their

Eleventh Amendment sovereign immunity and demand that the tribes' cases be dismissed.

II.

The facts of these cases are few and easily summarized. The first case, *Seminole Tribe of Florida v. Florida*, No. 92-4652, was filed by the Seminole Tribe, federally recognized as a tribe under Section 16 of the Indian Reorganization Act, 25 U.S.C.A. § 476 (West 1983 & Supp. 1993). The complaint, filed in the Southern District of Florida on September 19, 1991, asserted jurisdiction largely under 25 U.S.C. § 2710(d)(7)(A)(i) and alleged that the State of Florida and its governor, Lawton Chiles, had "failed to respond in good faith to the Tribe's request for compact negotiations and have not conducted those negotiations in good faith." Defendants moved to dismiss the complaint for lack of subject-matter jurisdiction based on the sovereign immunity enjoyed by the State of Florida and the Governor of Florida under the Eleventh Amendment. On June 18, 1992, the district court denied the motion, 801 F. Supp. 655 (S.D. Fla. 1992) ("*Seminole*"), and this interlocutory appeal ensued.

The second case, *Poarch Band of Creek Indians v. Alabama*, No. 92-6244, presents a similar initial fact pattern. The Poarch Band, also a federally recognized tribe, filed suit against the State of Alabama and its governor, Guy Hunt (for whom the current governor, James E. Folsom, Jr., has been substituted), on September 11, 1991. Also asserting jurisdiction largely under 25 U.S.C. § 2710(d)(7)(A)(i), the complaint is designed to resolve for the State and the Tribe various questions regarding IGRA's definition of class III gaming. The State of Alabama's answer claimed a defense of sovereign immunity under the Eleventh Amendment; the district court granted the State's subsequent motion to dismiss based upon this defense on October 30, 1991. 776 F. Supp. 550

(S.D. Ala. 1991) ("*Poarch I*").[4] The governor also filed an Eleventh-Amendment-based motion to dismiss; the district court granted it on February 20, 1992, thus dismissing the final defendant and terminating the Poarch Band's suit. 784 F. Supp. 1549 (S.D. Ala. 1992) ("*Poarch II*"). It is from these orders that the Poarch Band appeals.

III.

We have jurisdiction over these consolidated cases pursuant to 28 U.S.C. § 1291. In *Poarch I* and *Poarch II*, the district court granted defendants' sovereign-immunity-based motions to dismiss, thus terminating the tribe's suit and giving rise to our appellate jurisdiction over final orders. Our jurisdiction in *Seminole* arises from the district court's *denial* of defendants' motion to dismiss based on sovereign immunity; such a denial grants defendants the right of an immediate, interlocutory appeal. *See Griesel v. Hamlin*, 963 F.2d 338, 340 (11th Cir. 1992).

The granting or denial of a sovereign immunity defense is an issue of law subject to *de novo* review by this court. *McDonald v. Hillsborough County School Bd.*, 821 F.2d 1563, 1554 (11th Cir. 1987).

IV.

For more than a century, judicial interpretation of the Eleventh Amendment has far exceeded the apparent scope of the amendment's actual provisions. The scope of the "textual" amendment is rather limited and serves only to restrict the Article III diversity jurisdiction of the federal courts:

> The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United

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[4] The district court dismissed the State of Alabama from the Poarch Band's amended complaint in an unpublished order dated January 24, 1992.

States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

U.S. Const. amend. XI.

In 1890, however, the Supreme Court rejected this facial reading. In *Hans v. Louisiana,* 134 U.S. 1, 10 S.Ct. 504, 33 L.Ed.2d 842 (1890), the Court recognized that the Eleventh Amendment "reflected . . . a consensus that the doctrine of sovereign immunity, for States as well as for the Federal Government, was part of the understood background against which the Constitution was adopted, and which its jurisdictional provisions did not mean to sweep away." *Pennsylvania v. Union Gas Co.,* 491 U.S. 1, 31-32, 109 S.Ct. 2273, 2297, 105 L.Ed.2d 1 (1989) (Scalia, J., concurring in part and dissenting in part). Thus, the Court determined that the principle of sovereign immunity, although omitted from the text of the Constitution, survived the Constitutional Convention.

It did not survive untarnished, however; the Court subsequently has held that the states' immunity is not absolute. More specifically, the states are not immune from suit if the circumstances indicate consent, abrogation, or the fiction of *Ex parte Young.* If none of these three exceptions applies, however, the Eleventh Amendment serves as a jurisdictional bar to the suit. *See Pennhurst State School & Hosp. v. Halderman,* 465 U.S. 89, 104 S.Ct. 900, 79 L.Ed.2d 67 (1984). We address each exception to Eleventh Amendment immunity in turn.

A.

First, the Supreme Court has held that the states may not rely on the defense of sovereign immunity if they have consented to suit. A court may find consent in three circumstances. The clearest of the three, known as express consent, usually takes the form of legislative enactment. The second form of consent derives from the states' ratification of the Constitution. This "plan of the convention" consent assumes that, by ratifying the Constitution and joining the republic, each state ceded certain powers to the federal system; implicit in this cession is the understanding that the state necessarily also consented to suit in certain cases. Thus, the Court has held that, by ratifying the Constitution, the states waived their immunity to suits by the United States, *see, e.g., United States v. Texas,* 143 U.S. 621, 641-46, 12 S.Ct. 488, 492-94, 36 L.Ed. 285 (1892); and by sister states, *see, e.g., South Dakota v. North Carolina,* 192 U.S. 286, 24 S.Ct. 269, 48 L.Ed. 448 (1904). Finally, the Court has created a third, extremely limited category of consent. This consent is premised on the state's participation in a congressional program which, as a prerequisite for participation, mandates that the state consent to suit. The Court has found this form of consent to exist in only one case: *Parden v. Terminal Railway of Alabama,* 377 U.S. 184, 84 S.Ct. 1207, 12 L.Ed.2d 233 (1964).

We find that neither Alabama nor Florida has consented to a suit under IGRA.

1.

Express waivers of a state's Eleventh Amendment sovereign immunity must be explicitly authorized by the state "in its Constitution, statutes and decisions." *Silver v. Baggiano,* 804 F.2d 1211, 1214 (11th Cir. 1986) (quoting *Ford Motor Co. v. Department of Treasury,* 323 U.S. 459, 467, 65 S.Ct. 347, 352, 89 L.Ed. 389 (1945)). *See also Edelman v. Jordan,* 415 U.S. 651, 94 S.Ct. 1347, 39 L.Ed.2d 662 (1974). The Alabama defendants cite Article I, section 14 of the Alabama Constitution, which specifically reserves Alabama's sovereign immunity, and claim that Alabama therefore could not have consented to a suit under IGRA. Even though Florida has not raised a similar defense, plaintiffs have failed to demonstrate that either state has given express consent to this suit. Therefore, we find that the states have not expressly waived their Eleventh Amendment sovereign immunity.

2.

Nor does "plan of the convention" consent imperil the states' sovereign immunity. Three terms ago, the Supreme Court addressed the question whether the states, by ratifying the Constitution, had surrendered their sovereign immunity to suits by Indian tribes. The court compared suits brought by sister states to suits brought by Indian tribes and held that the states had not waived their sovereign immunity to suits brought by Indian tribes under the "plan of the convention":

> What makes the States' surrender of immunity from suit by sister States plausible is the mutuality of the concession. There is no such mutuality with either foreign sovereigns or Indian tribes. . . . [I]f the convention could not surrender the *tribes*' immunity for the benefit of the *States*, we do not believe that it surrendered the States' immunity for the benefit of the tribes.

Blatchford v. Native Village of Noatak, —— U.S. ——, ——-——, 111 S.Ct. 2578, 2582-83, 115 L.Ed.2d 686 (1991) (emphasis in original). The Court's holding in *Blatchford* governs our resolution of this issue. Thus, we hold that the states cannot be said to have surrendered their sovereign immunity under the "plan of the convention."

3.

Finally, the tribes assert that both Florida and Alabama have consented to this suit by participating in negotiations under IGRA. Invoking *Parden*, 377 U.S. 184, 84 S.Ct. 1207 (1964), the tribes assert that the states have attempted to reap the benefits of IGRA and therefore should be held to have consented to the downside of the statute, specifically, federal jurisdiction over the present suits. We disagree.

In *Parden*, the Supreme Court for the first—and, to date, last—time found that a state had waived its immunity to suit by participating in a federal program mandating that participants consent to suit. The facts of that case, as well as subsequent Supreme Court decisions, render *Parden* inapplicable to the appeals at hand.

First, it is apparent that *Parden* was decided largely on its facts. In that case, the State of Alabama had operated a for-profit, state-owned railroad for twenty years. By operating the railroad in interstate commerce, Alabama effectively had transcended the typical realm of state authority by entering the private market, a market in which all employers were subject to the strictures passed by Congress. The limited holding of the Court was that, based on these facts, Alabama should be subject to the same requirements as the other (private) participants in the private market; one of those requirements was that all market actors consent to suit. These cases involve state governments negotiating with sovereign tribes located within the states' borders—hardly a "private" activity—and thus do not raise the same concerns that prompted the Supreme Court's unique decision in *Parden*.

Second, later decisions of the Supreme Court limit *Parden* and indicate that Alabama and Florida cannot be said to have consented to suit in this case. First, in *Employees v. Missouri Dep't of Public Health and Welfare*, 411 U.S. 279, 93 S.Ct. 1614, 36 L.Ed.2d 251 (1973), the Court declined to extend *Parden* to circumstances in which a state was operating a non-profit hospital facility, a traditional state activity. The next year, in *Edelman v. Jordan*, 415 U.S. 651, 94 S.Ct. 1347, 39 L.Ed.2d 662 (1974), the Court refused to find *Parden*-style consent when Illinois participated in a federal program by agreeing to administer federal and state funds in accordance with federal law. The Court reiterated this holding a decade later in *Atascadero State Hospital v. Scanlon*, 473 U.S. 234, 105 S.Ct. 3142, 87 L.Ed.2d 121 (1985). Finally, the Court further limited *Parden* in *Welch v. Texas Dep't of Highways and Public Transp.*, 483 U.S. 468, 107 S.Ct. 2941, 97 L.Ed.2d 389 (1987).

In fact, in no other case has the Court found consent pursuant to its *Parden* decision.

When *Parden* and its progeny are examined closely, it is apparent that, although *Parden* may not be entirely dead, it certainly is not quick enough to breathe life into the Indian tribes' claims in these cases. In these cases, the states were faced with a Hobson's choice: refuse to negotiate with the tribes, and therefore be subject to suit under IGRA; or negotiate with the tribes, and therefore (according to the tribes' argument) consent to suit under IGRA. Thus, we cannot find the same voluntary, for-profit, private-enterprise operation involved in *Parden* and decline to hold that Alabama and Florida consented to suit.[5]

Thus, we find that neither Florida nor Alabama consented, either expressly, implicitly, or by conduct under *Parden*, to suit in federal court under IGRA.

B.

In defining the second sovereign immunity exception, the Supreme Court has held that states also may not rely on the defense of sovereign immunity if Congress has specifically abrogated that defense when legislating pursuant to certain of its plenary powers. *See, e.g., Fitz-*

[5] One sister circuit, in determining that the Eleventh Amendment did not bar suits under IGRA, mentioned that the state had "actively engaged in negotiating tribal-State compacts and ha[d] reaped the benefits from these negotiations." *See Cheyenne River Sioux Tribe v. State of South Dakota*, 3 F.3d 273 (8th Cir. 1993) (*"Cheyenne II"*), *aff'g* 830 F. Supp. 523 (D.S.D. 1993) (*"Cheyenne I"*). As the Eighth Circuit Court of Appeals primarily rested its decision on the fact that Congress had abrogated the state's Eleventh Amendment immunity, an argument we discuss (and reject) in part III.B., below, it is not clear how much weight the court gave to the state's participation in negotiations. To the extent that the Eighth Circuit relied on South Dakota's negotiations as a basis for finding a waiver of sovereign immunity, we respectfully disagree.

patrick v. Bitzer, 427 U.S. 445, 96 S.Ct. 2666, 49 L.Ed. 2d 614 (1976) (finding abrogation in legislation passed pursuant to § 5 of the Fourteenth Amendment); and *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 109 S.Ct. 2273, 105 L.Ed.2d 1 (1989) (finding abrogation in legislation passed pursuant to the Congress' Article I, § 8 plenary power over commerce). The Court has not yet found that Congress possesses the power to abrogate the states' sovereign immunity when legislating under any other provisions of the Constitution.

The tribes' most significant argument is that Congress abrogated the states' Eleventh Amendment immunity when it granted jurisdiction to the district courts in 25 U.S.C. § 2710(d). The district court in *Seminole*, as well as one sister court of appeals and a handful of district courts, have adopted the tribes' position.[6] We disagree, believing that Congress, when it enacted IGRA pursuant to the Indian Commerce Clause, lacked the power to abrogate the states' sovereign immunity.[7]

When determining whether Congress has abrogated the states' Eleventh Amendment immunity, we must conduct a two-part inquiry. We first must determine that the "evidence of congressional intent [to abrogate the states' immunity is] both unequivocal and textual." *Dellmuth v. Muth*, 491 U.S. 223, 230, 109 S.Ct. 2397, 2401, 105 L.Ed.2d 181 (1989) (citing *Atascadero*, 473 U.S. at 242, 105 S.Ct. at 3147). We also must find that Congress possessed the power under the Constitution to abrogate the states' Eleventh Amendment sovereign immunity.

[6] *See Cheyenne II, supra; Kickapoo Tribe of Indians v. Kansas*, 818 F. Supp. 1423 (D. Kan. 1993); *Cheyenne I, supra; Seminole, supra.*

[7] Other courts also have held that Congress lacked abrogation power when it enacted IGRA. *See Sault Ste. Marie Tribe of Chippewa Indians v. Michigan*, 800 F. Supp. 1484 (W.D. Mich. 1992); *Ponca Tribe of Oklahoma v. Oklahoma*, 834 F. Supp. 1341 (W.D. Okla. 1992); *Spokane Tribe of Indians v. Washington*, 790 F. Supp. 1057 (E.D. Wash. 1991); *Poarch I, supra.*

We hold that Congress expressed its intent sufficiently to survive the first prong of this inquiry. That intent can not be given effect, however, as Congress did not possess the power to abrogate the states' immunity when it enacted IGRA.

1.

Several courts have addressed tne question whether Congress unequivocally intended to abrogate the states' immunity when it enacted IGRA. Those courts have had little difficulty concluding that Congress' intent was sufficiently clear. *See, e.g., Cheyenne II, supra*; *Kickapoo,* 818 F. Supp. at 1427 ("[A] clearer statement of the intent to abrogate is difficult to envision."); *Seminole,* 801 F. Supp. at 658; *Sault Ste. Marie,* 800 F. Supp. at 1489 ("clear statement of waiver"); *Poarch I,* 776 F. Supp. at 557; *Ponca, supra.* We believe the question not so easily resolved.

In *Dellmuth,* the Supreme Court reiterated its earlier holdings that a Congressional declaration abrogating the states' Eleventh Amendment sovereign immunity must be explicit: "As we made plain in *Atascadero,* '[a] general authorization for suit in federal court is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment.' 473 U.S. at 246, 105 S.Ct. at 3149." 491 U.S. at 231, 109 S.Ct. at 2402. At first glance, it would appear that IGRA fails that test: Instead of specifically abrogating the states' immunity, section 2710(d)(7)(A) states only that "[t]he United States district courts shall have jurisdiction. . . ." The mere granting of jurisdiction is not equivalent to the abrogation of a defense.

A closer examination of IGRA, however, reveals that, despite Congress' omission of a specific abrogation clause, Congress nonetheless manifested its intent to abrogate the states' immunity. IGRA gives the federal district courts jurisdiction over three types of cases, the first of which is "any cause of action initiated by an Indian tribe arising

from the failure of a State to enter into negotiations with the Indian tribe for the purpose of entering into a Tribal-State compact under paragraph (3) or to conduct such negotiations in good faith." § 2710(d)(7)(A)(i). The only possible defendant to such a suit is a state (*see* part IV(C), below). Thus, unless Congress intended to abrogate the states' immunity, this portion of IGRA would be of no effect. Charged as we are with the task of giving effect to each portion of a statute, we must conclude that Congress intended to abrogate the states' sovereign immunity.[8] Thus, we hold that the first prong of our inquiry is satisfied.

2.

More important and less easily met, is the second prong of our inquiry: whether Congress possessed the constitutional power to abrogate the states' immunity when it enacted IGRA. To resolve this issue, we initially must determine under which provision(s) of the Constitution Congress enacted IGRA (*see* sub-part a). Only then can we determine whether Congress possessed the power to abrogate the states' immunities (*see* sub-part b).

a.

Congress may pass legislation only when the Constitution gives it the authority to do so. As we mentioned earlier, the Supreme Court has held that Congress posseses abrogation powers only when it enacts legislation under the auspices of (1) Section 5 of the Fourteenth

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[8] This conclusion is bolstered by Justice Scalia's opinion in *Dellmuth.* Concurring with the Court's majority opinion. Justice Scalia noted that the majority's "reasoning does not preclude congressional elimination of sovereign immunity in statutory text that clearly subjects States to suit for monetary damages, though without explicit reference to State sovereign immunity or the Eleventh Amendment." 491 U.S. at 233, 109 S.Ct. at 2403 (Scalia, J., concurring). Although the facts of that case differ slightly from the case before us, it is clear that Congress in enacting IGRA "clearly subject[ed] States to suit" in § 2710(d)(7).

Amendment or (2) the Interstate Commerce Clause. Plaintiff tribes urge us to find that IGRA was passed not only pursuant to the Indian Commerce Clause, but also pursuant to Section 5 and the Interstate Commerce Clause.[9] We cannot so find.

First, as to the Fourteenth Amendment, plaintiff tribes claim that *Fitzpatrick v. Bitzer*, 427 U.S. 445, 96 S.Ct. 2666, 49 L.Ed.2d 614 (1976) (holding that Congress may abrogate states' sovereign immunity when legislating pursuant to Section 5 of the Fourteenth Amendment), controls, thus granting Congress the authority to abrogate the states' immunity in IGRA. To justify this contention, the tribes assert that IGRA creates both a liberty interest and a property interest in the tribes and their members. Neither of these claimed interests, however, find support in the Supreme Court's Fourteenth Amendment jurisprudence.

The alleged liberty interest, the tribes claim, arises from the Supreme Court's holding in *Board of Regents v. Roth*, 408 U.S. 564, 92 S.Ct. 2701, 33 L.Ed.2d 548 (1972). Stating that the states' input in IGRA is akin to a licensing requirement, the tribes assert that the states' failure to enter a compact operates exactly as an unconstitutional denial of a license. The alleged property interest likewise is derived from *Roth*. What the tribes fail to recognize,

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[9] Both the so-called Indian Commerce Clause and the so-called Interstate Commerce Clause derive from the same constitutional grant of plenary power to Congress in Article I: "The Congress shall have Power . . . To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes." U.S. Const., art. I, § 8, cl. 3. Although the Interstate and Indian Commerce Clauses are contained in the same textual provision, the purposes that prompted their inclusion in the Constitution, as well as their subsequent legal interpretations, are distinct. *See, e.g., Cotton Petroleum Corp. v. New Mexico*, 490 U.S. 163, 192, 109 S.Ct. 1698, 1716, 104 L.Ed.2d 209 (1989) ("It is also well established that the Interstate Commerce and Indian Commerce Clauses have very different applications.").

however, is that these interests are created only when the claimant has "a legitimate claim of entitlement." *Id.* at 577, 92 S.Ct. at 2709. The tribes' bald assertion that IGRA creates such a claim ignores the discretionary nature of the compacting process envisioned by IGRA. IGRA does not create an entitlement to operate gambling operations; rather, it establishes the process and standards by which gambling may be conducted on Indian lands. Thus, IGRA creates no liberty or property interests and cannot implicate the Fourteenth Amendment.

Second, the tribes, noting that Congress' goals in enacting IGRA included "shield[ing] [Indian gaming] from organized crime and other corrupting influences," § 2702(2), assert that Congress necessarily enacted IGRA pursuant to the Interstate Commerce Clause. The tribes look to the legislative history of the Organized Crime Control Act of 1970, Pub.L. No. 91-452, 84 Stat. 922 (1970), to find Congressional reasoning that organized crime burdens interstate commerce. 84 Stat. at 923. The tribes thus conclude that, since Congress meant to address organized crime by enacting IGRA, it passed IGRA under the Interstate Commerce Clause.

We disagree. As § 2702(2) makes clear, Congress' concern with organized crime was not that such activities would burden interstate commerce, but rather that prohibition of organized crime would "ensure that the Indian tribe is the primary beneficiary of the gaming operation, and . . . assure that gaming is conducted fairly and honestly by both the operator and the players." § 2702(2). In addition, Congress wanted to criminalize the involvement of organized crime in order to "promote[] tribal economic development, self-sufficiency, and strong tribal government." § 2702(1). In analyzing Congress' goals, it is clear that alleviating a supposed burden on interstate commerce was not among them.

Having excluded the possibility that Congress enacted IGRA under either the Interstate Commerce Clause or

Section 5 of the Fourteenth Amendment, we must conclude that Congress enacted IGRA solely under the Indian Commerce Clause. The Supreme Court's jurisprudence on the Indian Commerce Clause bolsters our conclusion that Congress enacted IGRA solely under that authority. *See Cotton Petroleum,* 490 U.S. at 192, 109 S.Ct. at 1716 ("[T]he central function of the Indian Commerce Clause is to provide Congress with plenary power to legislate in the field of Indian affairs.").

b.

Having determined that Congress enacted IGRA solely under the Indian Commerce Clause, we now must determine whether the Indian Commerce Clause permits Congress to abrogate the states' Eleventh Amendment immunity. We conclude that it does not.

The Supreme Court case most relevant to this issue is *Pennsylvania v. Union Gas Co.,* 491 U.S. 1, 109 S.Ct. 2273, 105 L.Ed.2d 1 (1989). In that case, involving a badly fractured Court, a four-member plurality[10] held that Congress had the power to abrogate the states' Eleventh Amendment immunity when enacting legislation pursuant to the Interstate Commerce Clause. The plurality stated that, since the Interstate Commerce Clause

> withholds power from the States at the same time at its confers it on Congress, and because the congressional power thus conferred would be incomplete without the authority to render States liable in damages, it must be that, to the extent that the States gave Congress the authority to regulate commerce, they also relinquished their immunity where Congress found it necessary, in exercising this authority, to render them liable. The States held liable under such a congressional enactment are thus not "unconsent-

[10] Justice Brennan authored the opinion; Justices Marshall, Blackmun, and Stevens joined.

> ing"; they gave their consent all at once, in ratifying the Constitution containing the Commerce Clause, rather than on a case-by-case basis.

Id. at 19-20, 109 S.Ct. at 2284. Thus, the Court held that the State of Pennsylvania could not invoke sovereign immunity in defending a suit for money damages under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") and the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), 42 U.S.C. § 9601 *et seq.*[11]

In a cryptic concurring opinion, Justice White agreed with Justice Brennan's conclusion that Congress had the authority to abrogate the states' immunity; however, he also stated that he did not "agree with much of [Justice Brennan's] reasoning," *id.* at 57, 109 S.Ct. at 2295 (White, J., concurring).[12] It is regrettable that Justice White failed to provide any reasoning of his own to support his conclusion that Congress had abrogation power as his vague concurrence renders the continuing validity of

[11] Congress passed both CERCLA and SARA pursuant to the Interstate Commerce Clause.

[12] Justice White's uneasiness is understandable given the questionable foundation on which Justice Brennan built his argument. His plurality opinion contains three significant weaknesses: (1) it disregards the Supreme Court's statements that *Parden v. Terminal Railway of Alabama,* 377 U.S. 184, 84 S.Ct. 1207, 12 L.Ed.2d 233 (1964), was a waiver case, not an abrogation case; (2) it misconstrues *Employees v. Missouri Dep't of Public Health and Welfare,* 411 U.S. 279, 93 S.Ct. 1614, 36 L.Ed.2d 251 (1973), by ignoring that it too, solely addressed whether Congress had mandated that Missouri consent to suit before operating a hospital. (Thus, it also was not an abrogation case.); and, (3) it appeared to afford precedential value to two cases, *Welch v. Texas Dept. of Highways and Public Transp.,* 483 U.S. 468, 107 S.Ct. 2941, 97 L.Ed.2d 389 (1987), and *County of Oneida v. Oneida Indian Nation,* 470 U.S. 226, 105 S.Ct. 1245, 84 L.Ed.2d 169 (1985), in which the Court *assumed* that Congress had abrogation power, but specifically denied "deciding, or intimating a view of the question." *Welch,* 483 U.S. at 475, 107 S.Ct. at 2947.

Union Gas in doubt. The other four justices fervently opposed the plurality's holding.

Some courts have noted not only that there are weaknesses in the *Union Gas* Court's holding, but also that changes in the composition of the Court make it likely that a majority of the present Court would disagree with *Union Gas* and find that Congress was *not* empowered to abrogate the states' immunity. Unlike those courts, we refuse to disregard *Union Gas* merely on these bases. Nonetheless, when examined in the proper light, *Union Gas* is distinguishable from the cases before us and does not govern our disposition of this issue. Our conclusion that Congress did not have the power, when enacting IGRA, to abrogate the states' Eleventh Amendment sovereign immunity is supported by two lines of argument.

First, the tribes begin their argument by assuming that *Union Gas* controls all Commerce Clause cases, Indian as well as Interstate; thus, they assert, we are obligated to hold that Congress successfully abrogated the states' immunity when it passed IGRA.[13] We believe it appropriate, however, to limit *Union Gas* to the factual situation before that Court: the exercise of Congress' power to legislate under the Interstate Commerce Clause. CERCLA and SARA were passed pursuant to the Interstate Commerce Clause, not the Indian Commerce Clause. In addition, each of the opinions—plurality, concurrences, and dissents—addressed only the Interstate Commerce Clause. Moreover, the opinions do not suggest that the *Union Gas* holding should be broadly construed. Thus,

[13] The tribes assert that the *Union Gas* Court used the term "Commerce Clause," not "Interstate Commerce Clause," thus evidencing its intention to grant Congress abrogation powers whenever it acted pursuant to any of the Commerce Clauses, Interstate, Indian, or foreign. The Court's entire discussion, as well as every case it cited, focused solely on the Interstate Commerce Clause. We therefore conclude that the Court's discussion, although imprecise, implicated only the Interstate Commerce Clause.

a fair reading of *Union Gas* is one that limits Congress' abrogation powers to laws passed under the Interstate Commerce Clause. As we already have determined that IGRA was passed pursuant to the Indian Commerce Clause, the *Union Gas* holding does not control our disposition of this case.

This conclusion is bolstered by the unique qualities that distinguish the Interstate Commerce Clause and the Indian Commerce Clause. In an attempt to demonstrate this point, defendants suggest that *Cotton Petroleum Corp. v. New Mexico,* 490 U.S. 163, 192, 109 S.Ct. 1698, 1716, 104 L.Ed.2d 209 (1989) (explaining that "the Interstate Commerce and Indian Commerce Clauses have different applications"), governs our disposition of these cases. That case, which dealt solely with preemption and multiple taxation issues, plainly is distinguishable from the facts before us; thus, the *Cotton Petroleum* Court's conclusion that the Commerce Clause distinguishes between states and Indian tribes is neither surprising nor controlling precedent. Although not directly on point, however, much of the reasoning that supported *Cotton Petroleum* sheds light on the present issue. In that case, the Court acknowledged the plenary powers under the Interstate Commerce Clause that allow Congress to place limits on the states in order to "maintain[] free trade among the States." *Id.* By contrast, "the central function of the Indian Commerce Clause is to provide Congress with plenary power to legislate in the field of Indian affairs." *Id.* Although Congress has the power to limit the states under the Indian Commerce Clause as well, the different purposes underlying the two clauses mandate that they be treated distinctly. As a result, the unique abrogation power afforded Congress under the Interstate Commerce Clause in *Union Gas* cannot be extended to the Indian Commerce Clause.

A second argument supporting our conclusion that Congress did not possess the power to abrogate the states' immunity is that a proper reading of *Union Gas* and the

cases cited therein demonstrates that the Court has allowed federal jurisdiction over states only when the states partake in an activity typical of private individuals. For instance, in *Parden,* a case on which the *Union Gas* plurality primarily relied, the State of Alabama was operating a for-profit railroad in interstate commerce. Likewise, in *Union Gas* itself, the State of Pennsylvania was an "owner or operator" of land and therefore, like private citizens, was subject to liability under SARA. On the contrary, when the State of Missouri operated a non-proprietary, not-for-profit hospital (a non-private activity "wholly within [the states'] sphere of authority"), the Court refused to find that Congress mandated federal jurisdiction. *Employees,* 411 U.S. at 282, 93 S.Ct. at 1617 (1973).

In this case, the tribes seek to impose jurisdiction over the States of Alabama and Florida for their failure to negotiate a compact with the tribes. Rather than being a typically private activity, such negotiations are "wholly within [the states'] sphere of authority." We believe the Supreme Court's jurisprudence clearly evinces an intent to allow federal jurisdiction over states only when the state's conduct is outside the typical realm of state authority. As negotiations with tribes certainly are not outside that realm of authority, the principles of federalism and sovereign immunity exemplified in the Eleventh Amendment prevent Congress from abrogating the states' immunity. Thus, even if *Union Gas*' reasoning were to give Congress abrogation power under the Indian Commerce Clause *in general,* we would hold that Congress may not abrogate when it legislates in an area typically reserved to the states (such as negotiating regulations with Indian tribes).

For these reasons, we conclude that Congress did not possess the power to abrogate the states' Eleventh Amendment immunity when it enacted IGRA.

C.

Third, the Supreme Court has created a third exception to the doctrine of sovereign immunity by holding that the Eleventh Amendment does not always provide immunity to government officials; in certain circumstances, those officials may be subject to suit, despite the Eleventh Amendment, under the "fiction" of *Ex parte Young,* 209 U.S. 123, 28 S.Ct. 441, 52 L.Ed. 714 (1908). Briefly, the fiction allows an individual to obtain a federal injunction against a state officer to force the officer to comply with federal law. *Id.* at 160, 28 S.Ct. at 454. Under the fiction, the tribes assert that they may sue the governors of Alabama and Florida to compel negotiations under IGRA.

The *Ex parte Young* doctrine does not apply in two cases: (1) it cannot be used to compel an executive official to undertake a discretionary task; and (2) it cannot be used if the suit is, in reality, against the state. As most of the courts that have addressed this issue have found, however, the tribes' claims fit into both categories. *See, e.g., Poarch II,* 784 F. Supp. at 1551-52; *Poarch I,* 776 F. Supp. at 562; and *Ponca, supra.*[14]

First, the *Ex parte Young* doctrine cannot compel discretionary acts. *Ex parte Young,* 209 U.S. at 158, 28 S.Ct. at 453. IGRA does not allot merely ministerial acts to the state, however; rather, it provides for the negotiation of a contract, the terms of which are left to the discretion of the state and the tribe. Likewise, since IGRA provides a procedure should the state decide not to negotiate, even the mere question of whether the state should

[14] The only case to disagree is *Spokane,* 790 F. Supp. at 1062-63. There, the court focused on the need for a forum in which the tribe could air its grievances. The need for a forum, however, does not provide a federal court with the power to override state officials' constitutionally mandated sovereign immunity. Federal court jurisdiction is subject to and limited to the dictates of the Eleventh Amendment, and one judge's desire to give an aggrieved party a remedy does not enlarge it.

negotiate at all is subject to discretion. Thus, both of these facets of IGRA's compacting process demonstrate that the governors must use their discretion; accordingly, under the first exception to the *Ex parte Young* doctrine, the governors retain their Eleventh Amendment sovereign immunity.

Second, if a suit in reality is against the state itself, the *Ex parte Young* doctrine is inapplicable. *Pennhurst State School & Hospital v. Halderman*, 465 U.S. 89, 101-02, 104 S.Ct. 900, 908-09, 79 L.Ed.2d 67 (1984). IGRA uniformly addresses itself to "the State"; not once does it impose duties or responsibilities on a particular officer of the state (e.g., the governor, the legislature, etc.). Even the district court's injunctive relief powers are limited to ordering "*the State* and the Indian Tribe to conclude" a compact. § 2710(d)(7)(B)(iii) (emphasis added). In addition, IGRA mandates that *the State* negotiate, conclude, and abide by the Tribal-State compact. It is apparent that these suits are not against officials in an attempt to force them to follow federal law; rather, the suits are against the states for failing to negotiate a compact in good faith. At a result, the doctrine of *Ex parte Young* does not apply.

Unless one of the three exceptions—consent, abrogation, or *Ex parte Young*—applies, the Eleventh Amendment serves as a jurisdictional bar and precludes federal court adjudication over these suits. As we have found that none of the exceptions is applicable to IGRA, these cases must be dismissed for lack of subject-matter jurisdiction.

V.

As a result of our holding that the federal courts do not have jurisdiction to reach the issues brought by the tribes in these two suits, the procedures found in §§ 2710 (d)(7)(A)(i) and (B)(i)-(vi) necessarily fail when an unconsenting state refuses to consent to suit.[15]

[15] A state may consent to suit, in which case these provisions remain in full force. *See, e.g., Rumsey Indian Rancheria of Wintun*

The final question we must resolve is whether all provisions for state involvement in class III gaming also fail, as the tribes contend. We hold that they do not. IGRA contains an explicit severability clause, § 2721; and we find no "strong evidence" to ignore that plain congressional directive. *See Alaska Airlines, Inc. v. Brock*, 480 U.S. 678, 686, 107 S.Ct. 1476, 1481, 94 L.Ed.2d 661 (1987). Nevertheless, we are left with the question as to what procedure is left for an Indian tribe faced with a state that not only will not negotiate in good faith, but also will not consent to suit. The answer, gleaned from the statute, is simple. One hundred and eighty days after the tribe first requests negotiations with the state, the tribe may file suit in district court. If the state pleads an Eleventh Amendment defense, the suit is dismissed, and the tribe, pursuant to 25 U.S.C. § 2710(d)(7)(B)(vii), then may notify the Secretary of the Interior of the tribe's failure to negotiate a compact with the state. The Secretary then may prescribe regulations governing class III gaming on the tribe's lands. This solution conforms with IGRA and serves to achieve Congress' goals, as delineated in §§ 2701-02.

VI.

The decision of the United States District Court for the Southern District of Florida in *Seminole Tribe of Florida v. Florida*, No. 92-4652, is reversed; the case is remanded so that the district court may dismiss the suit. The decisions of the United States District Court for the Southern District of Alabama in *Poarch Band of Creek Indians v. Alabama*, No. 92-6244, are affirmed.

IT IS SO ORDERED.

BLACK, Circuit Judge, specially concurring:

I concur in the result.

Indians v. Wilson, No. Civ-S-92-812 GEB, 1993 WL 360652 (E.D. Cal. July 20, 1993), in which defendants waived their Eleventh Amendment immunity.

APPENDIX B

UNITED STATES DISTRICT COURT
S.D. FLORIDA

No. 91-6756-CIV

SEMINOLE TRIBE OF FLORIDA,
Plaintiff,

v.

STATE, OF FLORIDA, LAWTON CHILES,
Governor of the State of Florida,
Defendants.

June 18, 1992

ORDER

MARCUS, District Judge.

THIS CAUSE is before the Court on Defendants' Motion to Dismiss on Eleventh Amendment Grounds, filed December 16, 1991. For the following reasons, the motion is Denied.

I. BACKGROUND

Plaintiff, the Seminole Tribe of Florida (the "Tribe") is a federally recognized Indian tribe whose headquarters are located in Broward County, Florida. The Tribe commenced this action pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. § 2701 *et seq.* ("IGRA"), to remediate the alleged failure of the State of Florida to conduct good faith negotiations regarding certain gaming activities to be conducted on the Tribe's land, after State-Tribe compact negotiations failed to yield an agreement. According to the Tribe, "the State and its Governor have refused to enter into any negotiations for inclusion of such gaming in a tribal-state compact, [and have accordingly] violated [IGRA's] requirement of good faith negotiation." Compl. at ¶ 24. The Defendants assert that they have in fact entered into good faith negotiations with the Tribe, but maintain that those negotiations were unavailing since the gaming activities at issue are prohibited under Florida law. In addition, the Defendants have moved to dismiss the action pursuant to the Eleventh Amendment to the United States Constitution, arguing that Congress does not have the power constitutionally to enforce the "good faith" requirement of the compact process by explicitly providing the Tribe a judicial remedy against the State.

II. LEGAL FRAMEWORK

A. *Indian Gaming Regulatory Act*

The Indian Gaming Regulatory Act was enacted by Congress primarily "to provide a statutory basis for the operation of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments. . . ." 25 U.S.C. § 2702(1). IGRA divides Indian gaming into three distinct classes. Class I gaming "means social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremones or celebrations." *Id.* at § 2703(6). "Class I gaming on Indian lands is within the exclusive jurisdiction of the Indian tribes" and is not subject to the provisions of IGRA. *Id.* at § 2710(a)(1). Class II gaming includes bingo, pull-tabs, lotto, punch boards, tip jars and other similar games, *id.* at § 2703(7)(A)(i), and certain non-banking card games (not including blackjack and baccarat), *id.* at §§ 2703(7)(A)(ii); 2703(7)(B)(i). "Class II gaming on Indian lands shall continue to

be within the jurisdiction of the Indian tribes," but is subject to the provisions of IGRA, *id.* at § 2710(a)(2), including oversight by National Indian Gaming Commission, established within the Department of the Interior. *Id.* at § 2704(a).

Class III gaming is "all other forms of gaming that are not class I gaming or class II gaming." *Id.* at § 2703(8). "Class III gaming activities shall be lawful on Indian lands only if such activities are . . . located in a State that permits such gaming for any purpose by any person, organization, or entity. . . ." *Id.* at § 2710(d)(1). IGRA further provides that

> [a]ny Indian tribe having jurisdiction over the Indian lands upon which a class III gaming activity is being conducted, or is to be conducted, *shall* request the State in which such lands are located to enter into negotiations for the purpose of entering into a Tribal-State compact governing the conduct of gaming activities. Upon receiving such a request, *the State shall negotiate with the Indian tribe in good faith to enter into such a compact.*

Id. at § 2710(d)(3)(A) (emphasis added). Finally, IGRA mandates that

> [t]he United States district courts shall have jurisdiction over . . . any cause of action initiated by an Indian tribe arising from the failure of a State to enter into negotiations with the Indian tribe for the purpose of entering into a Tribal-State compact under paragraph (3) or to conduct such negotiations in good faith. . . .

Id. at § 2710(d)(7)(A)(i). Notwithstanding the express terms of Section 2710, Defendants argue that any such suits brought to remediate a State's alleged failure to negotiate in good faith are barred by the Eleventh Amendment.

B. *Eleventh Amendment*

The Eleventh Amendment to the United States Constitution provides:

> The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

U.S. Const. amend. XI. The scope of the Amendment has been extended beyond the literal text to also bar suits against a State brought by one of its own citizens. *Hans v. Louisiana,* 134 U.S. 1, 21, 10 S.Ct. 504, 33 L.Ed. 842 (1890). Thus, as the United States Supreme Court has recently observed:

> Despite the narrowness of its terms, since *Hans v. Louisiana* we have understood the Eleventh Amendment to stand not so much for what it says, but for the presupposition of our constitutional structure which it confirms: that the States entered the federal system with their sovereignty intact; [and] that the judicial authority in Article III is limited by this sovereignty. . . .

Blatchford v. Native Village of Noatak, —— U.S. ——, ——, 111 S.Ct. 2578, 2581, 115 L.Ed.2d 686 (1991) (citation omitted). Three exceptions to the Amendment exist: (1) a State may consent to suit in federal court, or waive its immunity to such suits, either expressly or impliedly; *see id.*; (2) Congress may, when it possesses the power, abrogate the States' immunity; *see Pennsylvania v. Union Gas Co.,* 491 U.S. 1, 13-23, 109 S.Ct. 2273, 2280-86, 105 L.Ed.2d 1 (1989); and (3) state officials may under certain circumstances be sued, in their official capacities, to obtain prospective relief. *See Ex Parte Young,* 209 U.S. 123, 28 S.Ct. 441, 52 L.Ed. 714 (1908). Against this framework, we proceed to evaluate Defendant's Motion to Dismiss.

III. ANALYSIS

A. *Abrogation*

The Tribe's central argument in opposition to the Motion to Dismiss is that Congress, in enacting IGRA, abrogated the State's Eleventh Amendment immunity.[1] We hold that Congress did in fact abrogate the States' immunity when it enacted IGRA, and, despite case authority to the contrary,[2] further hold that, pursuant to the Indian Commerce Clause, Congress plainly had the constitutional power to abrogate.[3]

1. Statutory Language

At the outset, the United States Supreme Court has held that

> Congress may abrogate the States' constitutionally secured immunity from suit in federal court only by making its intention unmistakably clear in the language of the statute.

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[1] The Tribe also argues that the State has implicitly waived its immunity, either inherently in the "plan of convention", *see Blatchford*, —— U.S. at ——, 111 S.Ct. at 2581, or constructively by the State's acceptance of the benefits of IGRA, *see Parden v. Terminal Railway*, 377 U.S. 184, 192-93, 84 S.Ct. 1207, 1212-13, 12 L.Ed.2d 233 (1964). Since the Tribe has not strenuously pursued either "waiver" theory, and since we reach our decision on purely "abrogation" principles, we need not address the issues raised by these arguments except insofar as they may bear upon Congress' power to abrogate.

[2] *See Sault Ste. Marie Tribe of Chippewa Indians, et al. v. State of Michigan*, No. 90-611, 1992 WL 71384, at *4-5 (W.D. Mich. Mar. 27, 1992); *Spokane Tribe of Indians v. State of Washington*, 790 F. Supp. 1057, 1059-61 (E.D. Wash. 1991); *Poarch Band of Creek Indians v. State of Alabama*, 776 F. Supp. 550, 557 (S.D. Ala. 1991).

[3] Both the Indian and Interstate Commerce Clauses are found in the same delegation of legislative authority, which gives Congress the power "To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes. . . ." U.S. Const. art. I, § 8, cl. 3.

See Atascadero State Hospital v. Scanlon, 473 U.S. 234, 242, 105 S.Ct. 3142, ——, 87 L.Ed.2d 171 (1985); *see also Blatchford*, —— U.S. at ——, 111 S.Ct. at 2584; *Dellmuth v. Muth*, 491 U.S. 223, 226, 109 S.Ct. 2397, 2399, 105 L.Ed.2d 181 (1989). In the instant case, the relevant portion of IGRA provides:

> The United States district courts shall have jurisdiction over . . . any cause of action initiated by an Indian tribe arising from the failure of a State to enter into negotiations with the Indian tribe for the purpose of entering into a Tribal-State compact under paragraph (3) or to conduct such negotiations in good faith. . . .

25 U.S.C. § 2710(d)(7)(A)(i). It is beyond preadventure that, in expressly providing for federal jurisdiction over claims brought by Indian tribes against States to compel good faith negotiations under IGRA (or to remedy the lack of such negotiations), Congress made its intention to abrogate the States' immunity in this context "unmistakably clear in the language of the statute." *See Atascadero*, 473 U.S. at 242, 105 S.Ct. at 3147. Indeed, the State of Florida concedes as much. *See* Def. Mem. at 14 ("There is little doubt but that IGRA's attempted abrogation of state immunity is clear enough to do so if Congress has the power to abrogate in this situation."). Moreover, every court to squarely consider this precise issue has concluded that the language in Section 2710 is "unmistakably clear." *See Sault Ste. Marie Tribe of Chippewa Indians, et al. v. State of Michigan*, No. 90-611, 1992 WL 71384, at *4 (W.D. Mich. Mar. 27, 1992) ("IGRA demonstrates specific Congressional intent that *states* be subject to suit in federal courts based upon violations of IGRA. This Court finds that the Act is a clear statement of waiver of sovereign immunity." (emphasis in original)); *Poarch Band of Creek Indians v. State of Alabama*, 776 F. Supp. 550, 557 (S.D. Ala. 1991) ("[T]his Court has little doubt but that IGRA's attempted abrogation of state immunity is clear enough

to do so if Congress has the power to abrogate in this situation. . . . It is difficult to imagine a clearer statement of Congress' intent to subject states to lawsuits in the federal courts."). Accordingly, we find that IGRA, on its face, abrogates the States's Eleventh Amendment immunity. That does not end the inquiry, however.

2. Congressional Power to Abrogate

A more difficult question is whether, notwithstanding its manifest intent to do so, Congress had the power to abrogate the States' immunity in the context at issue here. Given Congress' plenary authority over Indian relations, explicitly noted in the text of the Constitution at Article I, § 8, cl. 3, and the uniquely federal issues raised when such authority is exercised, considered in conjunction with the principles enunciated by the Supreme Court in *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 109 S.Ct. 2273, 105 L.Ed.2d 1 (1989), we conclude that Congress, when acting pursuant to the Indian Commerce Clause, has the power to abrogate the States' immunity.

We begin by observing that the Indian Commerce Clause of the Constitution provides that "Congress shall have power . . . To regulate Commerce . . . with the Indian Tribes." U.S. Const. art. I, § 8, cl. 3. Congressional power over Indian affairs is plenary. *Cotton Petroleum Corp. v. New Mexico*, 490 U.S. 163, 192, 109 S.Ct. 1698, 1715-16, 104 L.Ed.2d 209 (1989) ("[T]he central function of the Indian Commerce Clause is to provide Congress with plenary power to legislate in the field of Indian affairs. . . ."); *Oneida County, N.Y. v. Oneida Indian Nation of N.Y.*, 470 U.S. 226, 234-35, 105 S.Ct. 1245, 1251-52, 84 L.Ed.2d 169 (1985) ("With the adoption of the Constitution, Indian relations became the exclusive province of federal law." (citing The Federalist No. 42)); *White Mountain Apache Tribe v. Bracker*, 448 U.S. 136, 142, 100 S.Ct. 2578, 2583, 65 L.Ed.2d 665 (1980) ("Congress has broad power to regulate tribal affairs under the Indian Commerce Clause.

. . ."); *Lac Courte Oreilles Band of Lake Superior Chippewa Indians, et al., v. Voigt*, 700 F.2d 341, 361 (7th Cir.) ("Congress has plenary authority over Indian affairs. This power is rooted in . . . the Indian commerce clause. . . ." (citation omitted)), *cert. denied*, 464 U.S. 805, 104 S.Ct. 53, 78 L.Ed.2d 72 (1973); *Agua Caliente Band of Mission Indians v. County of Riverside*, 306 F. Supp. 279, 282 (C.D. Cal. 1969) ("The nature of Congressional power in Indian matters is paramount and plenary."); *aff'd*, 442 F.2d 1184 (9th Cir. 1971), *cert. denied*, 405 U.S. 938, 92 S.Ct. 930, 30 L.Ed.2d 809 (1972).

In *Worcester v. Georgia*, 31 U.S. (6 Pet.) 515, 8 L.Ed. 483 (1832), Chief Justice Marshall, writing for the High Court, observed that

> [the Articles of Confederation] gave the United States in congress assembled the sole and exclusive right of "regulating the trade and managing all the affairs with the Indians, not members of any of the states; provided, that the legislative power of any state within its own limits be not infringed or violated."
>
> * * * *
>
> The correct exposition of this [section of the Articles of Confederation] is rendered unnecessary by the adoption of our existing constitution. That instrument confers on congress the powers of war and peace; of making treaties, and of regulating commerce with foreign nations, and among the several states, and with the Indian tribes. These powers comprehend all that is required for the regulation of our intercourse with the Indians. They are not limited by any restriction on their free actions; the shackles imposed on this power, in the [Articles of Confederation], are discarded.

31 U.S. at 558-59. *See also United States v. City of Salamanca*, 27 F. Supp. 541, 543 (W.D.N.Y. 1939)

("Any doubt as to whether under the Articles of Confederation certain rights over the Indians were reserved to the states was removed by the adoption of the Constitution."); The Federalist No. 42, at 268 (James Madison) (Clinton Rossiter ed., 1961) ("The regulation of commerce with the Indian tribes is very properly unfettered from two limitations in the Articles of Confederation. . . ."). And in *Morton v. Mancari*, 417 U.S. 535, 94 S.Ct. 2474, 41 L.Ed.2d 290 (1974), a unanimous Supreme Court opined:

> Resolution of the instant issue [of whether an Indian employment preference violates the Due Process Clause of the Fifth Amendment] turns on the unique federal status of Indian tribes under federal law and upon the plenary power of Congress, based on a history of treaties and the assumption of a "guardian-ward" status, to legislate on behalf of federally recognized Indian tribes. The plenary power of Congress to deal with the special problems of Indians is drawn both explicitly and implicitly from the Constitution itself.

417 U.S. at 551-52, 94 S.Ct. at 2483.[4] It is thus abundantly clear that issues pertaining to Indian affairs are

[4] Still other courts, and a number of commentators, have acknowledged the uniquely federal nature of Indian relations, and the breadth of congressional power in that area. *See McClanahan v. State Tax Comm'n of Arizona*, 411 U.S. 164, 168, 93 S.Ct. 1257, 1260, 36 L.Ed.2d 129 (1973) (" 'The policy of leaving Indians free from state jurisdiction and control is deeply rooted in the Nation's history.' " (quoting *Rice v. Olson*, 324 U.S. 786, 789, 65 S.Ct. 989, 991, 89 L.Ed. 1367 (1945))); *James v. Watt*, 716 F.2d 71, 73-77 (1st Cir. 1983) (undertaking analysis of dormant effect of Indian Commerce Clause), *cert. denied*, 467 U.S. 1209, 104 S.Ct. 2397, 81 L.Ed.2d 354 (1984); *see also* Williams, *The Borders of the Equal Protection Clause: Indians as Peoples*, 38 U.C.L.A. L. Rev. 759 (1991) (acknowledging that "the grant of power to Congress over the Indians may be 'plenary' . . . in the sense that its power over interstate commerce is plenary," but arguing that both are equally restricted by the equal protection element of the Fifth

uniquely federal, and that in regulating such affairs *vis-a-vis* the States, congressional authority is plenary.

Moreover, it has repeatedly been observed that Congress may abrogate the States' immunity when it acts pursuant to a plenary grant of authority plainly embodied in the textual framework of the Constitution. *See, e.g., Pennsylvania v. Union Gas Co.*, 491 U.S. at 15, 109 S.Ct. at 2281-82; *Hutto v. Finney*, 437 U.S. 678, 693-94, 98 S.Ct. 2565, 2574-75, 57 L.Ed.2d 522 (1978); *Richard Anderson Photography v. Brown*, 852 F.2d 114, 123-24 (4th Cir. 1988) (Boyle, J., concurring in part and dissenting in part), *cert. denied*, 489 U.S. 1033, 109 S.Ct. 1171, 103 L.Ed.2d 229 (1989); *United States v. Union Gas Co.*, 832 F.2d 1343, 1356 (3d Cir. 1987), *aff'd*, 491 U.S. 1 (1989); *Matter of McVey Trucking, Inc.*, 812 F.2d 311, 323 (7th Cir.), *cert. denied*, 484 U.S. 895, 108 S.Ct. 227, 98 L.Ed.2d 186 (1987); *Malone v. Schenk*, 638 F. Supp. 423, 426 (C.D. Ill. 1985).[5] Congress' paramount and plenary authority over Indian affairs is therefore a substantial basis upon which to find congressional power to abrogate when legislating pursuant to that authority.

We next turn to a consideration of *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 109 S.Ct. 2273, 105 L.Ed.2d 1 (1989). In *Union Gas*, the Supreme Court held that the plain language of the Comprehensive Environmental

Amendment); Ainsworth, *The Negative Foreign Commerce Clause: An Analysis of the Reserved Unitary Tax Issue in* Container Corporation of America v. California Franchise Tax Board, 8 B.U.J. Tax L. 65 (1990) ("it is Congress, not the states, which must fairly regulate commerce 'with the Indian tribes' ").

[5] We note that, in the Bankruptcy Clause context, the United States Court of Appeals for the Eleventh Circuit has expressly left open the question of congressional power to abrogate. *TEW v. Arizona State Retirement System*, 873 F.2d 1400, 1401 (11th Cir. 1989) (per curiam) ("Because we hold that Congress has not expressly abrogated sovereign immunity here, we do not reach the constitutional question of whether it would have the authority to do so." (citation omitted)).

Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9601 *et seq.*, permits a suit for monetary damages against a state in federal court. 491 U.S. at 5, 109 S.Ct. at 2276. Further, a majority of the Court concluded that Congress has the power to abrogate the States' immunity when legislating pursuant to the Interstate Commerce Clause. *Id.* at 13-23, 57, 109 S.Ct. at 2280-86, 2295. Justice Brennan authored the plurality opinion of the Court on the abrogation issue, in which Justices Marshall, Blackmun, and Stevens joined. Justice White filed a separate opinion in which he concurred in the judgment and noted his agreement "that Congress has the authority under Article I to abrogate the Eleventh Amendment immunity of the States. . . ." 491 U.S. at 57, 109 S.Ct. at 2295. Justice Brennan's plurality opinion reasoned that Congress possessed such power principally by virtue of "the plenary powers granted it by the Constitution" to regulate interstate commerce, *id.* at 14-19, 109 S.Ct. at 2281-84 (citing *Fitzpatrick v. Bitzer*, 427 U.S. 445, 456, 96 S.Ct. 2666, 2670-71, 49 L.Ed.2d 614 (1976) (holding that Congress may abrogate States' immunity when legislating under § 5 of the Fourteenth Amendment, since its powers under that amendment are plenary)), and also, to a lesser extent, by virtue of the States' surrender of immunity in the "plan of convention" regarding matters within the ambit of the Interstate Commerce Clause.[6] *Id.*, 491 U.S. at 19-23, 109

[6] Defendants argue that the applicability of *Union Gas* to the instant case is undermined by the Tribe's inability to satisfy the "plan of convention" prong of that decision since no State-Tribe "mutuality" was represented in the "plan of convention." We cannot agree. The plurality's "plan of convention" discussion in *Union Gas* is, in our view, more a natural extension of the "plenary power" basis of the decision than a separate requirement of mutuality, since, even when discussing the "plan of convention," the Court was primarily concerned with Congress' plenary powers in the area of interstate commerce, observing:

> It would be difficult to overstate the breadth and depth of the commerce power. It is not the vastness of this power, however,

S.Ct. at 2284-86. Since Congress clearly posseses complete and plenary authority in the area of Indian affairs, which is at least as broad as Congress' interstate commerce power, *see* note 8, *infra*, we hold that Congress has the power to abrogate the States' immunity pursuant to the Indian Commerce Clause.

Defendants have rested their Eleventh Amendment argument on three recent district court opinions, *Sault Ste. Marie Tribe of Chippewa Indians, et al. v. State of Michigan*, No. 90-611, 1992 WL 71384 (W.D. Mich. 1992); *Spokane Tribe of Indians v. State of Washington*, 790 F. Supp. 1057 (E.D. Wash. 1991); and *Poarch Band of Creek Indians v. State of Alabama*, 776 F. Supp. 550 (S.D. Ala. 1991). First, Defendants observe that the district courts in both the *Sault Ste. Marie* and the *Poarch* cases expressed misgivings as to the continuing vitality of *Union Gas*, with the court in *Poarch* going so far as to conclude that,

> that is so important here: it is its effect on the power of the States.

491 U.S. at 20, 109 S.Ct. at 2284 (citations omitted). This is precisely the same observation advanced by the Court when analyzing Congress' plenary power in this area:

> [T]he Commerce Clause with one hand gives power to Congress while, with the other, it takes power away from the States. . . . The important point . . . is that the provision both expands federal power and contracts state power; that is the meaning, in fact, of a "plenary" grant of authority. . . .

Id. at 16-17, 109 S.Ct. at 2282-83.

We thus rest today's decision primarily on Congress' plenary power over Indian affairs, rather than on a "mutuality in the plan of convention" theory, for a number of reasons. First, an explication of plenary congressional power is, in our view, the central thrust of *Union Gas*, and is a proper basis on which to find congressional power to abrogate. In addition, the latter theory seemingly begs the question by presuming that the states have already ceded their sovereignty. Finally, we think, "plan of convention" cession is more properly a "waiver" argument than an "abrogation" argument, and, in the Indian affairs context, was rejected in *Blatchford*, —— U.S. at ——-——, 111 S.Ct. at 2581-83.

> [b]ecause *Union Gas* is not directly on point, and with an eye toward the shaky ground on which it stands, this Court does not find the decision to be controlling. The weakness of the plurality opinion leads this Court to believe that it should not be given an expansive application. . . .

776 F. Supp. at 558.[7] We are unpersuaded. As already noted, a majority of the Supreme Court in *Union Gas* held that Congress had the power to abrogate the States' immunity under the Interstate Commerce Clause; *Union Gas* is binding authority on this Court. It is a mistake to simply dismiss *Union Gas* as being inapposite, especially since congressional power over both interstate and Indian commerce derives from precisely the same Constitutional clause, Article I, § 8, cl. 3, and since its power in both areas is plenary. *See Matter of McVey Trucking,* 812 F.2d at 323 (holding that "Congress may abrogate state immunity to suit pursuant to any of its plenary powers," including the Bankruptcy Clause of Article I, § 8, cl. 4); *Peel v. Florida Dep't of Transp.,* 600 F.2d 1070, 1085 (5th Cir. 1979) (finding authority to abrogate pursuant to Congress' war powers, and observing that "nothing in the history of the eleventh amendment, the doctrine of sovereign immunity, or the case law indicates that Congress, when acting under an [A]rticle I, section 8 delegated power, lacks the authority to provide for federal court enforcement of private damage actions against the states"); *BV Engineering v. University of Cal., Los Angeles,* 657 F. Supp. 1246, 1248 (C.D. Cal.

[7] *See also Sault Ste. Marie,* 1992 WL 71384, at *5 (district court settles on a "narrow reading of *Union Gas*"); *Mississippi Band of Choctaw Indians v. State of Mississippi,* No. 90-386, 1991 WL 255614, at *6 (S.D. Miss. Apr. 9, 1991) ("[T]he Court notes that it does not consider the *Union Gas* decision itself controlling precedent upon which the eleventh amendment questions at issue here could be decided. *Union Gas* dealt with congressional abrogation of state immunity through an exercise of authority under the interstate commerce clause. The instant matter involves the Indian commerce clause.").

1987) (finding congressional power to abrogate pursuant to Article I, § 8, cl. 8 (copyright powers), and observing that "Congress 'may abrogate state immunity to suit pursuant to any of its plenary powers' " (quoting *Matter of McVey Trucking,* 812 F.2d at 315-23)), *aff'd,* 858 F.2d 1394 (9th Cir. 1988), *cert. denied,* 489 U.S. 1090, 109 S.Ct. 1557, 103 L.Ed.2d 859 (1989).

The Defendants also attempt to draw important distinctions between the Interstate and Indian Commerce Clauses, citing principally to *Cotton Petroleum Corp. v. New Mexico,* 490 U.S. 163, 192, 109 S.Ct. 1698, 1715-16, 104 L.Ed.2d 209 (1989), where the Supreme Court observed that "[i]t is also well established that the Interstate Commerce and Indian Commerce Clauses have very different applications." Indeed, the courts in both *Spokane Tribe of Indians v. State of Washington,* 790 F. Supp. at 1059-61, and *Poarch,* 776 F. Supp. at 559, concluded from this language that it would be inappropriate to apply theories based on one clause to the other. Again, we do not find the argument persuasive. As we noted above, congressional power over both interstate and Indian commerce derives from the same clause in the Constitution; and we are hard pressed to conclude that the congressional authority to abrogate the States' immunity in the area of interstate commerce is greater than in Indian commerce. Indeed, Defendants here acknowledged as much at oral argument:

> THE COURT: Let me ask you a question. Is congressional authority under Article I, Section 8, dealing with the power to regulate commerce with the Indian tribes any less sweeping than the power to regulate commerce with foreign nations and among the several States?
>
> MR. GLOGAU: No, it is not.

Transcr. of Hrng. of Jan. 13, 1992, at 10. Defendants nonetheless argue that Congress' power over Indian commerce is of a "very different specie" than the power over

interstate commerce, and that *Union Gas* is therefore readily distinguishable, since the Indian commerce power lacks an element of "mutuality" found in the area of interstate commerce. *See id.* 491 U.S. at 10-16, 109 S.Ct. at 2278-82. This argument is unconvincing, and we conclude that, based on its paramount and plenary authority over Indian affairs, Congress' power to act pursuant to the Indian Commerce Clause is at least as great, if not greater, than its powers under the Interstate Commerce Clause.[8] Moreover, *Cotton Petroleum* does not undercut this conclusion, since that decision goes on to note:

[8] *Accord Howard v. Illinois Central R. Co.*, 207 U.S. 463, 521, 28 S.Ct. 141, 154-55, 52 L.Ed. 297 (1908) (Moody, J., dissenting) ("There is nothing in the words of the grant [of commerce power to Congress] that permits the belief that the power is not coextensive over foreign, interstate, and Indian trade, or is anything less than the whole power which any government may properly exercise over either. . . ."); *Wabash R. Co. v. United States*, 168 F. 1, 4 (7th Cir. 1909) ("When the Declaration of Independence ripened into fact, the several states could have taken their separate places in the family of nations as absolutely sovereign powers, and the commerce among them would have been on the same footing as commerce "with foreign nations" and "with Indian tribes." On abandoning their "firm league of friendship" and adopting the Constitution, the states divested themselves of the power to regulate interstate commerce as completely as they did of the power to regulate foreign commerce, and transferred to the nation in equal terms the power to regulate both. To the extent that there is a difference between the power of Congress over interstate commerce and over foreign commerce, it comes not from any difference in the grants, but from the fact that other provisions of the Constitution which may limit the exercise of power over interstate commerce may have no application to foreign commerce."); Ainsworth, *supra* note 4 ("First, Indian Commerce Clause analysis is structured differently than Interstate Commerce Clause analysis. It proposes a tripartite balancing of unequal interests (tribal, state, and federal) rather than a binary balancing of constitutionally equal interests (two similarly situated taxpayers in the same or different states). Second, under the Indian Commerce Clause, there is a presumption against state authority to tax Indian-value without express Congressional approval; whereas under the Interstate Commerce Clause, there is a presumption in favor of any

> In particular, while the Interstate Commerce Clause is concerned with maintaining free trade among the States even in the absence of implementing federal legislation, *the central function of the Indian Commerce Clause is to provide Congress with plenary power to legislate in the field of Indian affairs.*

490 U.S. at 192, 109 S.Ct. at 1715-16 (emphasis added).[9]

Finally, Defendants rely on *Blatchford* in concluding that Congress lacked the power to abrogate.[10] This reliance is misplaced, we think, since *Blatchford* is primarily a "waiver" case, and its concerns over a lack of "mutuality of . . . concession," —— U.S. at ——-——, 111 S.Ct. at 2581-83, are properly limited to that context. But even if, as Defendants assert, the "waiver" principles enunciated in *Blatchford* can be said to speak to Congress' power to abrogate—and we think they do not—the lack of State-Indian mutality is a matter of relatively minor importance. First, Congress' plenary power over the uniquely federal area of Indian affairs is the

non-discriminatory state taxing scheme which has not been expressly disapproved of by Congress. Finally, under the Indian Commerce Clause, it is the quantitative weight of the burden imposed on Indian Commerce that is the significant question; whereas under the Interstate Commerce Clause, it is the equal distribution of tax burdens among taxpayers, regardless of the absolute amount of the overall burden, that matters."); Resnick, *Dependent Sovereign: Indian Tribes, States, and the Federal Courts*, 56 U. Chi. L. Rev. 671 (1989) ("[T]he 'Indian commerce clause could be read as expansively as the Interstate commerce clause.' Under such a reading, the constitutional limits on congressional power over Indian tribes may be more formal than real." (quoting Clinton, *Isolated in Their Own Country: A Defense of Federal Protection of Indian Autonomy and Self Government*, 33 Stan. L. Rev. 979, 997 (1981))).

[9] At all events, *Cotton Petroleum* is of limited help here since the issue there was whether Indian tribes could be treated as States for tax apportionment purposes.

[10] The *Spokane Tribe* and *Sault Ste. Marie* courts also relied on *Blatchford* in reaching the same conclusion.

primary basis on which we rest today's decision. Second, we are not persuaded that a lack of mutuality between the States and the Indian nations is a compelling deficiency, since there did in fact exist a mutuality between the federal government—in which plenary power to regulate Indian affairs was vested—and the States. And although the lack of State-Indian mutality may undercut the argument that the States *waived* their immunity to any and all suits by Indian tribes, the importance of that want of mutuality is diminished when a suit is brought pursuant to explicit congressional authorization, since the linchpin of abrogation must be the nature of the power pursuant to which Congress raised the Eleventh Amendment barrier. Furthermore, to the extent that *Blatchford* does expressly discuss abrogation, that discussion never reaches the issue of congressional power, since the Court concluded that Section 1362 of Title 28 did not contain "unmistakably clear" language evincing Congress' intent to abrogate.[11] —— U.S. at ——, 111 S.Ct. at 2586. Thus, *Blatchford* is wholly silent on the principal issue raised here of congressional power to abrogate, and as such is readily distinguishable. Accordingly, it is

ORDERED AND ADJUDGED that Defendants' Motion to Dismiss is DENIED.

DONE AND ORDERED.

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[11] That section provides:

> The district courts shall have original jurisdiction of all civil actions, brought by any Indian tribe or band with a governing body duly recognized by the Secretary of the Interior, wherein the matter in controversy arises under the Constitution, laws, or treaties of the United States.

28 U.S.C. § 1362. Notably absent from Section 1362 is language specifically referencing the States, as is present in the statute conferring jurisdiction in the instant case, 25 U.S.C. § 2710(d)(7)(A)(i).

APPENDIX C

[Filed Sep. 22, 1993]

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case 91-6756-CIV-MARCUS

SEMINOLE TRIBE OF FLORIDA,
Plaintiff,

v.

STATE OF FLORIDA, LAWTON CHILES,
Governor of the State of Florida,
Defendants.

ORDER GRANTING DEFENDANTS' MOTION FOR SUMMARY JUDGMENT AND DENYING PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT AND PLAINTIFF'S SUPPLEMENTAL MOTION FOR SUMMARY JUDGMENT

THIS MATTER comes before the Court pursuant to the Plaintiff, SEMINOLE TRIBE OF FLORIDA's ("the Tribe"), Motion for Summary Judgement and the Defendants, the STATE OF FLORIDA and LAWTON CHILES's ("the State"), Motion for Summary Judgement, both of which were filed on October 9, 1992, and pursuant to the Tribe's Supplemental Motion for Summary Judgment, filed on March 19, 1993.

The Tribe brought this action under the Indian Gaming Regulatory Act, 28 U.S.C. §§ 2701-21, 18 U.S.C. §§ 1166-68 ("IGRA"). The Tribe alleges that the State has failed to negotiate in good faith by refusing to in-

clude the Tribe's request to conduct certain forms of machine or computer-assisted gaming and casino type gaming in the negotiation of a Tribal-State compact governing gambling on Tribal lands. The Tribe claims that such gaming is permitted by the State and is therefore a mandatory subject of negotiations under the IGRA. The State maintains, however, that, while it has agreed to negotiate for other types of gaming, it need not negotiate for machine or computer-assisted gaming or casino type gaming precisely because those specific types of gaming are not permitted by the State. The Court heard oral argument on the cross-motions for summary judgment on December 11, 1992. In addition, by Order of January 5, 1993, the Court granted the Tribe's Motion to Re-Open Discovery on the issue of the State's treatment of foreign flag vessels which operate gambling cruises from Florida ports. The Tribe filed its Supplemental Motion for Summary Judgment based on the additional discovery on March 19, 1993, the State filed its response on April 6, 1993 (and the Tribe filed its reply on April 12, 1993, at which time the issues were fully joined. Based on our thorough review of the case and the record, it is hereby

ORDERED AND ADJUDGED that the State's Motion for Summary Judgment is GRANTED and the Tribe's Motion for Summary Judgment and Supplemental Motion for Summary Judgment are DENIED for the reasons detailed at some length below.

I.

The following facts have been stipulated to by the parties in their Joint Pretrial Stipulation. On January 29, 1991, the Tribe asked the State to commence negotiations pursuant to the IGRA for a compact governing the Tribe's proposed operation of certain forms of gambling on Tribal lands. On March 4, 1991, the Tribe submitted a proposed contract providing for Tribal operation of poker, and machine or computer-assisted games

which duplicate poker, bingo, pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo. By letter of May 24, 1991, the State, through the Governor's General Counsel, J. Hardin Peterson, Jr., agreed to negotiate poker and other games allowed by Fla. Stat. Anno. § 849.085 (West Supp. 1993), but rejected all of the Tribe's other compact requests. The letter set forth the State's preliminary legal position on the scope of games believed by the State to be subject to compact negotiations and also contained suggestions for issues to be negotiated related to regulatory matters. On June 18, 1991, Seminole Chairman James Billie requested Florida Governor Lawton Chiles's personal involvement in compact negotiations. The Chairman submitted additional games that the Tribe asserted met the objections set forth in the May 24 letter from Peterson, and, at the same time, requested expansion of negotiations to include casino gambling. On June 25, 1991, the Tribe submitted a ten-page legal memorandum to the State in support of the lawfulness of the proposed compact. (Joint Pretrial Stipulation at 4, ¶¶ 1-5).

On August 22, 1991, representatives of the Tribe met with State representatives to discuss the Tribe's compact request. The State agreed to negotiate concerning poker and other card games, raffles, and parimutual wagering on dog and horse racing and jai alai. In response to questions from the State representatives, there was some discussion of how the Tribe would conduct these games if a compact were approved. The State, however, refused to negotiate a compact covering any machine or computer-assisted gaming which the State contended would violate Fla. Stat. Anno. §§ 849.15 and 849.16 (West 1976 & Supp. 1993). Specifically, the State refused to negotiate a compact covering any form of casino gambling. (Joint Pretrial Stipulation at 4-5, ¶ 6).

On September 17, 1991, the State and the Tribe met to continue discussions. The State expressed its willing-

ness to negotiate a compact for games permitted under the interpretation of IGRA set forth in its September 13 letter. The Tribe decided not to continue negotiations at that time and subsequently filed the instant lawsuit. By letter dated September 14, 1992, the Tribe contacted the State requesting that negotiations be resumed. (Joint Pretrial Stipulation at 5, ¶¶ 6.1-6.2).

II.

The standard to be applied in reviewing a summary judgment motion is stated unambiguously in Rule 56(c) of the Federal Rules of Civil Procedure:

> The judgment sought shall be rendered forthwith if the pleading, depositions, answers to interrogatories and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.

Fed. R. Civ. P. 56(c). Thus, summary judgment may be entered only where there is *no* genuine issue of material fact. Moreover, the moving party has the burden of meeting this exacting standard. *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 157 (1970).

In applying this standard, the Eleventh Circuit has explained:

> In assessing whether the movant has met this burden, the courts should view the evidence and all factual inferences therefrom in the light most favorable to the party opposing the motion. *Adickes*, 398 U.S. at 157, 90 S.Ct. at 1608; *Marsh*, 651 F.2d at 991. All reasonable doubts about the facts should be resolved in favor of the non-movant. *Casey Enterprises, Inc. v. American Hardware Mut. Ins. Co.*, 655 F.2d 598, 602 (5th Cir. 1981). If the record presents factual issues, the court must not decide them; it must deny the motion and proceed to trial.

Marsh, 651 F.2d at 991; *Lighting Fixture & Elec. Supply Co. v. Continental Ins. Co.*, 420 F.2d 1211, 1213 (5th Cir. 1969). Summary judgment may be inappropriate even where the parties agree on the basic facts, but disagree about the inferences that should be drawn from these facts. *Lighting Fixture & Elec. Supply Co.*, 420 F.2d at 1213. If reasonable minds might differ on the inferences arising from undisputed facts, then the court should deny summary judgment. *Impossible Electronics*, 669 F.2d at 1031; *Croley v. Matson Navigation Co.*, 434 F.2d 73, 75 (5th Cir. 1970).

Moreover, the party opposing a motion for summary judgment need not respond to it with any affidavits or other evidence unless and until the movant has properly supported the motion with sufficient evidence. *Adickes v. S.H. Kress & Co.*, 398 U.S. at 160, 90 S.Ct. at 1609-10; *Marsh*, 651 F.2d at 991. The moving party must demonstrate that the facts underlying all the relevant legal questions raised by the pleading or otherwise are not in dispute, or else summary judgment will be denied notwithstanding that the non-moving party has introduced no evidence whatsoever. *Brunswick Corp. v. Vineberg*, 370 F.2d 605, 611-12 (5th Cir. 1967). *See Dalke v. Upjohn Co.*, 555 F.2d 245, 248-49 (9th Cir. 1977).

Clemons v. Dougherty County, Ga., 684 F.2d 1365, 1368-69 (11th Cir. 1982). *See also Amay, Inc. v. Gulf Abstract & Title, Inc.*, 758 F.2d 1486, 1502 (11th Cir. 1985), *cert. denied*, 475 U.S. 1107 (1986).

The United States Supreme Court has provided significant additional guidance as to the evidentiary standard which trial courts should apply in ruling on a motion for summary judgment:

> [The summary judgment] standard mirrors the standard for a directed verdict under Federal Rule of

> Civil Procedure 50(a), which is that the trial judge must direct a verdict if, under the governing law, there can be but one reasonable conclusion as to the verdict. *Brady v. Southern R. Co.*, 320 U.S. 476, 479-80, 64 S.Ct. 232, 234, 88 L.Ed. 239 (1943).

Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 250 (1986). The Court further stated that "[t]he mere existence of a scintilla of evidence in support of the position will be insufficient; there must be evidence on which the jury could reasonably find for the [non-movant]." *Id.* at 252. In determining whether this evidentiary threshold has been met, the trial court "must view the evidence presented through the prism of the substantive evidentiary burden" applicable to the particular cause of action before it. *Id.* at 254. If the non-movant in a summary judgment action fails to adduce evidence which would be sufficient, when viewed in a light most favorable to the non-movant, to support a jury finding for the non-movant, summary judgment may be granted. *Id.* at 254-55.

In another case, the Supreme Court has declared that a non-moving party's failure to prove an essential element of a claim renders all factual disputes as to that claim immaterial and requires the granting of summary judgment:

> In our view, the plain language of Rule 56(c) mandates the entry of summary judgment . . . against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will *bear* the burden of proof at trial. In such a situation, there can be "no genuine issue as to any material fact," since a complete failure of proof concerning an essential element of the nonmoving party's case necessarily renders all other facts immaterial. The moving party is "entitled to judgment as a matter of law" because the nonmoving party has failed to make a sufficient showing on an essential element of her case with respect to which she has the burden of proof.

Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986) (emphasis added).

The parties agree that there are no genuine issues of material fact in dispute and that the matter may properly be disposed of on cross-motions for summary judgment. (Joint Pretrial Stipulation at 13). The parties' respective claims will be evaluated against this standard.

III.

Congress enacted the IGRA in 1988. In its opening text, Congress recognized that:

> (1) numerous Indian tribes have become engaged in or have licensed gaming activities on Indian lands as a means of generating tribal governmental revenue; . . .
>
> (3) existing Federal law does not provide clear standards or regulations for the codnuct of gaming on Indian lands;
>
> (4) a principal goal of Federal Indian policy is to promote tribal economic development, tribal self-sufficiency, and strong tribal government; and
>
> (5) Indian tribes have the exclusive right to regulate gaming activity on Indian lands if the gaming activity is not specifically prohibited by Federal law and is conducted within a State which does not, as a matter of criminal law and public policy, prohibit such gaming activity.

25 U.S.C. § 2701. The purpose of the IGRA is:

> (1) to provide a statutory basis for the operation of gaming by Indian tribes as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments;

(2) to provide a statutory basis for the regulation of gaming by an Indian tribe adequate to shield it from organized crime and other corrupting influences, to ensure that the Indian tribe is the primary beneficiary of the gaming operation, and to assure that gaming is conducted fairly and honestly by both the operator and players; and

(3) to declare that the establishment of independent Federal authority for gaming on Indian lands, the establishment of Federal standards for gaming on Indian lands, and the establishment of a National Indian Gaming Commission are necessary to meet congressional concerns regarding gaming and to protect such gaming as a means of generating tribal revenue.

25 U.S.C. § 2702.

Basically, the IGRA divides gaming into three classes. Class I gaming "means social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies or celebrations." 25 U.S.C. § 2703(6). Class I gaming is subject to the exclusive jurisdiction of the Indian tribes and is not subject to the regulatory provisions of the IGRA. 25 U.S.C. § 2710 (a)(1).

Class II gaming "means the game of chance commonly known as bingo (whether or not electronic, computer, or other technologic aids are used in connection therewith) . . . including (if played at the same location) pull-tabs, lotto, punch boards, tip jars, instant bingo, and games similar to bingo, and card games that (I) are explicitly authorized by the laws of the State or (II) are not explicitly prohibited by the laws of the State and are played at any location in the State," provided those card games are played under the State laws and regulations governing hours of operation and limitations on wagers or pot sizes. 25 U.S.C. § 2703(7)(A). Congress

explicitly excluded "any banking card games, including baccarat, chemin de fer, or blackjack, or . . . electronic or electromechanical facsimilies of any game of chance or slot machines of any kind" from Class II. 25 U.S.C. § 2703(7)(B). The tribes have jurisdiction over Class II gaming, subject to the requirements of the IGRA and the oversight of the National Indian Gaming Commission. 25 U.S.C. § 2710(b).

Class III gaming "means forms of gaming that are not class I gaming or class II gaming." 25 U.S.C. § 2703(8). The parties agree that the games at issue here (*i.e.*, casino gaming and machine or computer-assisted games) are Class III games. The IGRA states:

> Class III gaming activities shall be lawful on Indian lands only if such activities are—
>
> (A) authorized [by an approved Tribal] ordinance or resolution . . . ,
>
> (B) located in a State that permits such gaming for any purpose by any person, organization, or entity, and
>
> (C) conducted in conformance with a Tribal-State compact entered into by the Indian tribe and the State under paragraph (3) that is effect.

25 U.S.C. § 2710(d). In order to engage in Class III gaming activities on tribal land, a tribe must first "request the State in which such lands are located to enter into negotiations for the purpose of entering into a Tribal-State compact governing the conduct of gaming activities." 25 U.S.C. § 2710(3)(A). The IGRA requires the State to negotiate with the Indian tribe in good faith upon receipt of the tribe's request. *Id.*

Immediately before passage of the IGRA, in the case of *California v. Cabazon Band of Mission Indians*, 480 U.S. 202, 107 S.Ct. 1083 (1987) the Supreme Court established the standard for evaluating requests by Indian

tribes to conduct gaming activities on tribal lands. In *Cabazon,* the State of California objected to the Indian tribe's operation of bingo games on tribal property. The state argued that the tribe's bingo operations violated a state penal statute which, while it did not prohibit bingo, imposed prize limits and required the games to be "operated and staffed by members of designated charitable organizations who may not be paid for their services." *Cabazon,* 480 U.S. 205, 107 S.Ct. at 1086. As noted by the Supreme Court, California was a "Public Law 280" state, meaning that Congress had granted California jurisdiction over specified areas of Indian country within its borders. Section 2 of Pub.L. 280 granted California "broad criminal jurisdiction over offenses committed by or against Indians within all Indian country" within California, but Section 4 of Pub.L. 280 granted the state a more limited form of civil jurisdiction. *Cabazon,* 480 U.S. at 207-08, 107 S.Ct. at 1087. Based on this difference in the congressional grant of jurisdiction, the Supreme Court held:

> when a State seeks to enforce a law within an Indian reservation under the authority of Pub.L. 280, it must be determined whether the law is criminal in nature, and thus fully applicable to the reservation under § 2, or civil in nature, and applicable only as it may be relevant to private civil litigation in state court.

Cabazon, 480 U.S. at 208, 107 S.Ct. at 1088.

In *Cabazon,* the Supreme Court adopted a prohibitory/regulatory distinction to determine whether the state law governing the conduct at issue fell within Pub.L. 280's grant of criminal jurisdiction or not. The Court cautioned that the mere fact that "an otherwise regulatory law is enforceable by criminal as well as civil means does not necessarily convert it into a criminal law within the meaning of Pub.L. 280." 480 U.S. at 211, 107 S.Ct. at 1089. Rather, the touchstone is "whether the conduct at issue

violates the State's public policy." 480 U.S. at 209, 107 S.Ct. at 1088. After reviewing the scope of legally permissible gambling activities within California, the Court concluded that "California regulates rather than prohibits gambling in general and bingo in particular." 480 U.S. at 211, 107 S.Ct. at 1089. The Court was not presented with, and thus did not address, the situation where a state adopted a regulatory attitude toward some forms of gambling which would fall under the IGRA's rubric of Class III gaming (*e.g.,* parimutuel betting and a state lottery), but prohibited the specific Class III activities proposed by a tribe.

Review of the *Cabazon* decision is basic when interpreting the IGRA, as Congress incorporated the *Cabazon* decision into both the statutory language and legislative history of the IGRA. The Senate Report accompanying the IGRA makes explicit reference to the *Cabazon* decision in discussing 25 U.S.C. § 2710(b)(1)(A)'s requirement that Class II gaming on Indian property take place only if "located within a State that permits such gaming for any purpose by any person, organization, or entity." The Senate Report offered the following guidance to courts construing that phrase:

> the Committee anticipates that Federal courts will rely on the distinction between State criminal law which prohibit certain activities and the civil laws of a State which impose a regulatory scheme upon those activities to determine whether class II games are allowed in certain States. This distinction has been discussed by the Federal courts many times, most recently and notable by the Supreme Court in *Cabazon.*
>
> . . .
>
> The phrase "for any purpose by any person, organization or entity" makes no distinction between State laws that allow class II gaming for charitable, commercial, or governmental purposes, or the nature of

> the entity conducting the gaming. If such gaming is not criminally prohibited by the State in which tribes are located, then tribes, as governments, are free to engage in such gaming.

S. Rep. No. 446, 100th Cong., 2d Sess., reprinted in 1988 U.S.C.C.A.N. 3076, 3082. While the Senate Report referred to the phrase as found at 25 U.S.C. § 2710(b)(1)(A), the identical phrase is repeated at 25 U.S.C. § 2710(d)(1)(B) regarding Class III activities. It is a general principle governing statutory construction that when a word or phrase is used in more than one section of an act, and the meaning is clear as used in one place, " 'it will be construed to have the same meaning in the next place'." *United States v. Nunez*, 573 F.2d 769, 771 (2nd Cir.) (citation omitted), *cert. denied*, 98 S.Ct. 2828 (1978). We therefore agree with the Tribe that the legislative history relating to the phrase as found in the provision governing Class II gaming is instructive regarding the meaning of the language found in the provision governing Class III gaming. *See also, Mashantucket Peguot Tribe v. State of Conn.*, 913 F.2d 1024 (2nd Cir. 1990) (reaching same conclusion regarding applicability of legislative history). Coupling the Senate Report with the express language of 25 U.S.C. § 2701(5) *supra*, we conclude that Congress intended the prohibitory/regulatory analysis found in *Cabazon* to be consistent with and to be applied to the IGRA provisions covering both Class II and Class III gaming.

In the instant case, the Tribe argues that the "permits such gaming" provision of the IGRA (*i.e.*, the phrase incorporating *Cabazon*'s regulatory/prohibitory distinction) refers to the "*generic* class of gaming permitted in the State." (Plaintiff's Motion for Summary Judgment at 18) (emphasis in original). Under the Tribe's theory, by allowing *one* form of Class III gaming, the State has evinced a public policy which is regulatory in nature toward *all* forms of Class III gaming. Following the Tribe's argument, because the State allows parimutuel facilities

and the state lottery, all other forms of Class III gaming, such as casinos and machine and computer-assisted games, become mandatory subjects for negotiation of the Tribe-State compact. The State's admitted refusal to include those forms of Class III activities in the compact negotiation would therefore constitute a violation of the good faith requirement imposed upon the State by the IGRA. While we agree that the *Cabazon* standard should be used in the interpretation of the IGRA Class III provisions, we cannot accept the Tribe's broad assertion that the State's permission of specific Class III gaming activities places *all* Class III activities on the table as subject to negotiation.

In support of its position, the Tribe primarily relies on three recent cases interpreting the IGRA: *United States v. Sisseton-Wahpeton Sioux Tribe*, 897 F.2d 358 (8th Cir. 1990); *Mashantucket Peguot Tribe v. State of Connecticut*, 913 F.2d 1024 (2nd Cir.), *cert. denied*, 111 S.Ct. 1620 (1991); and *Lac du Flambeau Band of Lake Superior Chippewa Indians v. State of Wisconsin*, 770 F. Supp. 480 (W.D. Wis. 1991) (*Lac du Flambeau II*). Contrary to the Tribe's argument, a close reading of these cases does not support its position. Each court considering the *Cabazon* regulatory/prohibitory distinction in relation to the IGRA has conducted a broad review of the state's public policy toward gambling, and, in each case, the court has determined that the *specific gaming activity* proposed by the Indian tribe was in fact permitted by the state.

The *Sisseton-Wahpeton* case arose in the context of Class II gaming. The Indian tribe in that case opened a blackjack enterprise on its South Dakota reservation. The tribe argued, first, that its blackjack operation was grandfathered in as a Class II activity by specific IGRA provisions not relevant to the instant case. The tribe further argued that its operations satisfied the IGRA requirement that the activities take place in a state "that permits such gaming for any purpose by any person, organization or

entity." This is the precise phrase in both the Class II and Class III provisions which is at issue in the instant case. In interpreting that phrase, the court stated that it revealed a congressional intent to permit a "*particular gaming activity* . . . if the state law merely regulated, as opposed to completely barred, *that particular gaming activity.*" 897 F.2d at 365 (emphasis added). After concluding that South Dakota permitted commercial card games including *blackjack,* albeit with wage limits and other constraints, the court found that the IGRA's requirement was met and the Indian tribe could lawfully conduct its *blackjack* operation pursuant to the IGRA.

In *Mashantucket,* the United States Court of Appeals for the Second Circuit addressed a similar issue in the context of the IGRA provisions governing Class III activities. The Indian tribe sought to operate casino-type games of chance on its reservation in Connecticut. The state refused to negotiate a compact for these gaming activities. The district court found that Connecticut statute specifically authorized certain nonprofit organizations to hold Las Vegas nights. Based on this, the district court granted summary judgment in favor of the tribe. In upholding the district court's decision, the Court of Appeals for the Second Circuit stated:

> the district court concluded, after a careful review of pertinent Connecticut law regarding "Las Vegas nights," that Connecticut "permits games of chance, albeit in a highly regulated form. Thus such gaming is not totally repugnant to the State's public policy, . . ."
>
> *This ruling means only that the State must negotiate with the Tribe concerning the conduct of casino-type games of chance at the Reservation.*

913 F.2d at 1031-32. (emphasis added).

Finally, in *Lac du Flambeau II,* the court found that the Wisconsin electorate amended their state's constitu-

tion to allow the state to operate a lottery. Based in part on an opinion by the Wisconsin Attorney General, the court concluded that Wisconsin no longer prohibited games ivolving prize, chance, and consideration, and ruled that all games falling within that category must be included in the compact negotiation. Thus, the court's ruling was limited to the specific category of games, albeit a broad category, no longer prohibited by Wisconsin. To some extent, the court in *Lac du Flambeau II* utilized a different interpretation of *Cabazon* than the one outlined above. For example, the court observed:

> If the policy is to prohibit all forms of gambling by anyone, then the policy is characterized as criminal-prohibitory and the state's criminal laws apply to tribal gaming activity. On the other hand, if the state allows some forms of gambling, even subject to extensive regulation, its policy is deemed to be civil-regulatory and it is barred from enforcing its gambling laws on the reservation.

This approach is broader than the one employed by the Supreme Court in *Cabazon* and other courts which have faced the same question and, to the extent the court in *Lac du Flambeau II* based its conclusion on that analysis, we decline to follow its lead.[1]

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[1] The Tribe has also argued that the *Lac du Flambeau II* decision controlled the ultimate outcome of the instant case. The Tribe asserted that the electorate's amendment of the Florida Constitution to permit a state-run lottery converted the State's public policy toward all forms of Class III gaming to one which is wholly regulatory in nature. We disagree. First, the Tribe's argument is premised on the notion that the Court may look only to the State's Constitution, and not to its statutory law or expressions by its populace, to discern the State's public policy toward gambling. The Tribe has cited nothing and we can find no support for that proposition. Second, as noted above, the thrust of *Cabazon* and its progeny requires a particularized inquiry into the proposed gambling activity (in this case, casino gambling and machine or computer-assisted gaming). For example, in *Cabazon,* where California ran a state lottery and permitted parimutuel betting, the

In sum, we can find no convincing support in these cases for the Tribe's suggestion that a state's public policy permitting individual Class III activities is somehow equivalent to permitting all Class III gaming activities. Indeed, two other courts recently reached the same conclusion regarding the "permits such gaming" language and Class III gaming activities. *See, Cheyenne River Sioux Tribe v. State of South Dakota, et. al.,* 1993 WL 316042, No. 93-1224/1521 (8th Cir. August 23, 1993) (Court upheld district court's ruling that state need not include traditional keno in compact negotiations when state only permitted video keno because the " 'such gaming' language of 25 U.S.C. § 2710(d)(1)(B) does not require the state to negotiate with respect to forms of gaming it does not presently permit.") *and Rumsey Indian Rancheria of Wintun Indians, et al. v. Governor Pete Wilson, et al.,* Case No. CIV-S-92-812-GEB at 16, n.16 (E.D. Cal. July 16, 1993) ("This court has found no authority for the proposition that a state's public policy construed as permitting a single Class III game must be found to permit all Class III gaming activities.") Thus, we look at the state's public policy toward the specific gaming activities proposed by the tribes.[2]

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lower courts and the Supreme Court looked at the state's public policy regarding bingo, the specific gambling activity at issue. Thus, we do not agree that *Lac du Flambeau II* dictates the outcome of the instant case, without a review of the State's public policy toward gambling in general and its public policy toward the specific gaming activities in question.

[2] In its motion for summary judgment, the State argued that the different language prefacing the Class II and Class III provisions should be the focus of the Court's analysis of the IGRA. The relevant portions of the IGRA state:

> An Indian tribe may engage in, or license and regulate, class II *gaming* on Indian lands within such tribe's jurisdiction, if—. . .
>
> (A) such Indian gaming is located within a State that permits such gaming for any purpose by any person, organization or entity, . . .

and:

The Tribe has argued alternatively that Florida in fact permits precisely those types of Class III gaming activities which it proposes to operate on Tribal lands. The parties agree that the State explicitly permits parimutuel betting and the state lottery, both of which are Class III games. The Joint Pretrial Stipulation describes in detail these games. For example, there are thirty-five parimutuel facilities throughout the State, including dog and horse facing tracks and jai alai frontons. The State also permits simulcast and intertrack betting at the parimutuel facilities. Simulcast involves the transmission of an out-of-state race into Florida or an in-state race out of Florida for betting purposes. Intertrack betting involves the transmission of a race from one Florida parimutuel facility to another for betting purposes. The total amount bet at the State's thirty-five facilities has been 1.6 billion dollars for the past several years. (Joint Pretrial Stipulation at 5-6, ¶¶ 7-11).

> Class III gaming *activities* shall be lawful on Indian lands only if such *activities* are—. . .
>
> (B) located in a State that permits such gaming for any purpose by any person, organization, or entity, . . .

25 U.S.C. § 2710(b)(1) and (d)(1) (emphasis added). The State argues that the use of the term "gaming activities" rather than "gaming" indicates a congressional intent that courts treat Class III as a particularized, rather than a generic group of activities, thereby requiring an activity-by-activity review of the proposed tribal gaming.

At least one court has concluded that this difference in prefatory language does not create a meaningful distinction between Class II and Class III under the IGRA. *See, Mashantucket Peguot Tribe v. State of Connecticut,* 913 F.2d 1024, 1030 n.6 (No significance should be accorded to the "modest difference" between the two introductory sections). Because we have concluded that the application of the *Cabazon* standard requires a court to examine the State's public policy regarding the specific activities proposed by the Tribe, we need not address the State's argument that the prefatory language creates an important distinction between the IGRA's Class II and Class III provisions. We add, however, that the purported distinction the State would draw between "gaming" and "gaming activities" appears illusory.

In addition to accepting bets placed at parimutuel facility windows staffed by facility employees, fifteen facilities use SAMS. SAMS are automated machines which permit a bettor to enter his bet by inserting money, vouchers, or credit cards into the machine, thereby enabling him to select the number or combination he wishes to purchase. A ticket is issued showing those numbers. Those numbers may be selected by bettors who handicap races or those who choose numbers or combinations without handicapping the race. A ticket showing a winning number or combination of numbers will entitle the holder to receive money in exchange for the ticket. (Joint Pretrial Stipulation at 6, ¶ 12).

Florida's state-wide lottery has a total in annual ticket sales of approximately two billion dollars. There are approximately 12,000 retail lottery sites throughout the State, and each retail site is operated by one or more persons trained by the State to operate the machine terminals which are installed at the sites. The on-line lottery games are Cash 3, Play 4, Fantasy 5, and Lotto. Each of these games uses machine terminals installed at the retail site. To play, a player selects his numbers either by marking the numbers of his choice or by marking the Quick Pick box on the play slip, a three by nine inch card which is inserted in the machine terminal. If Quick Pick is marked, the machine selects the numbers. In either event, the chosen numbers are transmitted to and recorded by the lottery's main computer in Tallahassee and the retail terminal prints out the lottery ticket containing the selected numbers. Alternatively, a player can verbally select either the numbers of his choice or the Quick Pick option to be entered into the machine by hand. Retailers and employees are permitted to operate machine terminals for their own purchases of lottery tickets. The winning numbers are chosen by an air blowing device which ensures the random selection of white numbered balls. A ticket showing a winning combination of numbers entitles the holder to receive money in exchange for the ticket. (Joint Pretrial Stipulation at 6-7, ¶¶ 13-16).

It is clear, therefore, that some Class III gaming is "not totally repugnant to" Florida's public policy, *Mashantucket,* 913 F.2d at 1031, as the State allows, although with regulations, parimutuel betting and the Florida lottery. The Tribe, however, argues that the State already permits precisely those Class III activities in which it wishes to engage. Specifically, the Tribe points to the State's alleged permission of charity casino nights, gambling cruises operated by foreign flag vessels out of Florida ports, and the use of computer or machine-assisted gaming in conjunction with parimutuel betting and the State lottery. The Tribe asserts that the State's permission of these activities indicates a regulatory, rather than a prohibitory, public policy toward these games, thereby making them mandatory subjects of negotiation between the Tribe and the State. Before addressing these arguments, it is helpful to examine Florida's public policy toward other types of Class III activities in order to place the Tribe's argument in its proper context.

The Florida penal code prohibits now, and has for many years barred a broad range of gambling activities. Fla. Stat. Anno. § 849.08 (West 1976) prohibits gambling in general, and provides:

> Whosoever plays or engages in any game at cards, keno, roulette, faro or other game of chance, at any place, by any device whatever, for money or other thing of value, shall be guilty of a misdemeanor of the second degree, punishable as provided in § 775.082 or § 775.083.

Other sections of the Florida penal code prohibit various activities associated with or attendant to gambling. For example, § 849.01 prohibits the keeping of a gambling house,[3] § 849.02 makes an individual acting as a "serv-

[3] Fla. Stat. Anno. § 849.01 (West 1976) states:

> Whoever by himself, his servant, clerk or agent, or in any other manner has, keeps, exercises or maintains a gaming table or room, or gaming implements or apparatus, or house, booth,

ant, clerk, agent, or employee" of a person in violation of § 849.01 guilty of the same offense,[4] § 849.03 prohibits the renting of a house or room for gambling purposes,[5] § 849.11 prohibits plays at games of chance by lot,[6] § 849.14 prohibits betting on the outcome of contest of skill,[7] and § 849.04 makes it illegal to allow a

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tent, shelter or other place for the purpose of gaming or gambling or in any place of which he may directly or indirectly have charge, control or management, either exclusively or with others, procures, suffers or permits any person to play for money or other valuable thing at any game whatever, whether heretofore prohibited or not, shall be guilty of a felony of the third degree, punishable as provided in § 775.082, or § 775.084.

[4] Fla. Stat. Anno. § 849.02 (West 1976) states:

Whoever acts as servant, clerk, agent, or employee of any person in the violation of § 849.01 shall be punished in the manner and to the extent therein mentioned.

[5] Fla. Stat. Anno. § 849.03 (West 1976) states:

Whoever, whether as owner or agent, knowingly rents to another a house, room, booth, tent, shelter or place for the purpose of gaming shall be punished in the manner and to the extent mentioned in § 849.01.

[6] Fla. Stat. Anno. § 849.11 (West 1976) states:

Whoever sets up, promotes or plays at any game of chance by lot or with dice, cards, numbers, hazards or any other gambling device whatever for, or for the disposal of money or other thing of value or under the pretext of a sale, gift, or delivery thereof, or for any right, share or interest therein, shall be guilty of a misdemeanor of the second degree, punishable as provided in § 775.082 or § 775.083.

[7] Fla. Stat. Anno. § 849.14 (West 1976) states:

Whoever stakes, bets or wagers any money or other thing of value upon the result of any trial or contest of skill, speed or power or endurance of man or beast, or whoever receives in any manner whatsoever any money or other thing of value staked, bet or wagered, or offered for the purpose of being staked, bet or wagered, by or for any other person upon any such result, or whoever knowingly becomes the custodian or depositary of any money or other thing of value so staked, bet, or wagered upon any such result, or whoever aids, or

minor or mentally incompetent individual to gamble.[8] Section 849.05 makes the discovery of gambling devices prima facie evidence that the location where they were found is kept for the purposes of gambling.[9] Section 849.07 prohibits the use of billiards tables for gambling purposes.[10] In addition, § 849.231(1) prohibits the manufacture, sale, purchase, or possession of gambling de-

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assists, or abets in any manner in any of such acts all of which are hereby forbidden, shall be guilty of a misdemeanor of the second degree, punishable as provided in § 775.082 or § 775.083.

[8] Fla. Stat. Anno. § 849.04 (West Supp. 1993) states:

Whoever being the proprietor, owner or keeper of any E.O., keno ar pool table, or billiard table, wheel of fortune, or any other game of chance, kept for the purpose of betting, willfully and knowingly allows any minor or any person who is mentally incompetent or under guardianship to play at such game or to bet on such game of chance or whoever aids or abets or otherwise encourages such playing or betting of any money or other valuable thing upon the result of such game of chance by any minor or any person who is mentally incompetent or under guardianship shall be guilty of a felony of the third degree, punishable as provided in § 775.082, § 775.083, or § 775.084. For the purpose of this section, a "mentally incompetent person" is one who because of mental illness, mental retardation, senility, excessive use of drugs or alcohol, or other mental incapacity is incapable of either managing his property or caring for himself or both.

[9] Fla. Stat. Anno. § 849.05 (West Supp. 1993) states:

If any of the implements, devices or apparatus commonly used in games of chance in gambling houses or by gamblers, are found in any house, room, booth, shelter or other place it shall be prima facie evidence that the said house, room, booth, shelter or other place where the same are found is kept for the purpose of gambling.

[10] Fla. Stat. Anno. § 849.07 (West 1976) states:

If any holder of a license to operate a billiard or pool table shall permit any person to play billiards or pool or any other game for money, or any other thing of value, upon such tables, he shall be deemed guilty of a misdemeanor of the second degree, punishable as provided in § 775.082 or § 775.083.

vices,[11] § 849.26 provides that all gambling debts or contracts are void,[12] and § 849.12 provides for the forfeiture to the State of money and prizes won through illegal gambling.[13]

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[11] Fla. Stat. Anno. § 849.231(1) (West 1976) states:

> Except in instances when the following described implements or apparatus are being held or transported by authorized persons for the purpose of destruction, as hereinafter provided, and except in instances when the following described instruments or apparatus are being held, sold, transported, or manufactured by persons who have registered with the United States Government pursuant to the provisions of Title 15 of the United States Code, sections 1171 et seq., as amended, so long as the described implements or apparatus are not displayed to the general public, sold for use in Florida, or held or manufactured in contravention of the requirements of 15 U.S.C. § 1171 et seq., it shall be unlawful for any person to manufacture, sell, transport, offer for sale, purchase, own, or have in his possession any roulette wheel or table, faro layout, crap table or layout, chuck-a-luck wheel, bird cage such as used for gambling, bolita balls, chips with house markings, or any other device, implement, apparatus, or paraphernalia ordinarily or commonly used or designed to be used in the operation of gambling houses or establishments, excepting ordinary dice and playing cards.

[12] Fla. Stat. Anno. § 849.26 states:

> All promises, agreements, notes, bills, bonds or other contracts, mortgages or other securities, when the whole or part of the consideration if for money or other valuable thing won or lost, laid, staked, betted or wagered in any gambling transaction whatsoever, regardless of its name or nature, whether heretofore prohibited or not, or for the repayment of money lent or advanced at the time of a gambling transaction for the purpose of being laid, betted, staked or wagered, are void and of no effect; provided, that this acts shall not apply to wagering on pari-mutuels or any gambling transaction expressly authorized by law.

[13] Fla. Stat. Anno. § 849.12 (West 1976) states:

> All sums of money and every other valuable thing drawn and won as a prize, or as a share of a prize, or as a share, percentage or profit of the principal promoter or operator, in any lottery, and all money, currency or property of any kind to

Certain games which would otherwise be Class III games are exempted from this statutory scheme. These are limited, however, to games played in residences for less than $10,[14] drawings by chance held by charitable or-

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> be disposed of, or offered to be disposed of, by chance or device in any scheme or under any pretext by any person, and all sums of money or other thing of value received by any person by reason of his being the owner or holder of any ticket or share of a ticket in a lottery, or pretended lottery, or of a share or right in any such schemes of chance or device and all sums of money and other thing of value used in the setting up, conducting or operation of a lottery, and all money or other thing of value at stake, or used or displayed in or in connection with any illegal gambling shall be forfeited, and may be recovered by civil proceedings, filed, or by action for money had and received, to be brought by the Department of Legal Affairs or any state attorney, or other prosecuting officer, in the circuit courts in the name and on behalf of the state; the same to be applied when collected as all other penal forfeitures are disposed of.

[14] Fla. Stat. Anno. § 849.085 (West Supp. 1993) states:

> (1) Notwithstanding any other provision of law, it is not a crime for a person to participate in a game described in this section if such game is conducted strictly in accordance with this section.
>
> (2) As used in this section:
>
> (a) "Penny-ante game" means a game or series of games or poker, pinochle, bridge, rummy, canasta, hearts, dominoes, or mah-jongg in which the winnings or any player in a single round, hand, or game do not exceed $10 in value.
>
> (b) "Dwelling" means residential premises owned or rented by a participant in a penny-ante game and occupied by such participant or the common elements or recreational areas or a condominium or mobile home park of which a participant in a penny-ante game is a unit owner, or the facilities of an organization which is tax exempt under § 501(c)(7) of the Internal Revenue Code. The term "dwelling" also includes a college dormitory room or the common recreational area of a college dormitory or a publicly owned community center owned by a municipality or county.
>
> (3) A penny-ante game is subject to the following restrictions:

ganizations,[15] and promotions in connection with the sale

(a) The game must be conducted in a dwelling.

(b) A person may not receive any consideration or commission for allowing a penny-ante game to occur in his dwelling.

(c) A person may not directly or indirectly charge admission or any other fee for participation in the game.

(d) A person may not solicit participants by means of advertising in any form, advertise the time or place of any penny-ante game, or advertise the fact that he will be a participant in any penny-ante game.

(e) A penny-ante game may not be conducted in which any participant is under 18 years of age.

(4) A debt created or owed as a consequence of any penny-ante game is not legally enforceable.

(5) The conduct of any penny-ante game within the common elements or recreation area of a condominium or mobile home park or the conduct of any penny-ante game within the dwelling of an eligible organization as defined in subsection (2) or within a publicly owned community center owned by a municipality or county creates no civil liability for damages arising from the penny-ante game on the part of a condominium association, mobile home owner's association, dwelling owner, or municipality or county or on the part of a unit owner who was not a participant in the game.

[15] Fla. Stat. Anno. § 849.0935 (West Supp. 1993) states:

(1) As used in this section, the term:

(a) "Drawing by chance" or "drawing" means an enterprise in which, from the entries submitted by the public to the operator of the drawing, one or more entries are selected by chance to win a prize. The term "drawing" does not include those enterprises commonly known as "matching," "instant winner," or "preselected sweepstakes," which involve the distribution of winning numbers, previously designated as such, to the public.

(b) "Operator" means an organization qualified under 26 U.S.C. § 501(c)(3), and its agents, officers, or employees, which promotes, operates, or conducts a drawing by chance.

(2) The provision of § 849.09 shall not be construed to prohibit an organization qualified under 26 U.S.C. § 506(c)(3)

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from conducting drawings by chance, provided the operator has complied with all applicable provisions of chapter 496.

(3) All brochures, advertisements, notices, tickets, or entry blanks used in connection with a drawing by chance shall conspicuously disclose:

(a) The rules governing the conduct and operation of the drawing.

(b) The full name of the organization or operator, and its principal place of business.

(c) The source of funds used to award cash prizes or to purchase prizes.

(d) The date, hour, and place where the winner will be chosen, unless the brochures, advertisements, notices, tickets, or entry blanks are not offered to the public more than 3 days prior to the drawing.

(4) It is unlawful for any operator who, pursuant to the authority granted by this section, promotes, operates, or conducts a drawing by chance:

(a) To design, engage in, promote, or conduct any drawing in which the winner is predetermined by means of matching, instant win, or preselected sweepstakes or otherwise or in which the selection of the winners is in any way rigged;

(b) To require an entry fee, payment, proof of purchase, or contribution as a condition of entering the drawing or of being selected to win a prize;

(c) To arbitrarily remove, disqualify, disallow, or reject any entry or to discriminate in any manner between entrants who gave contributions to the operator and those who did not give such contributions;

(d) To fail to promptly notify, at the address set forth on the entry blank, any person whose entry is selected to win, of the fact that he has won;

(e) To fail to award all prizes offered in the manner and at the time stated; and

(f) To print, publish, or circulate literature or advertising material used in connection with the drawing which is false, deceptive, or misleading.

(5) Any operator who engages in any act or practice in violation of this section is guilty of a misdemeanor of the second degree, punishable as provided in § 775.082 or § 775.083. How-

of consumer goods.[16]

These wide-ranging statutory prohibitions are not the only evidence of the State's public policy toward gam-

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ever, any operator or other person who sells or offers for sale in this state a ticket or entry blank for a raffle or other drawing by chance, without complying with the requirements of paragraph (3)(d), is guilty of a misdemeanor of the second degree, punishable by fine only as provided in § 775.083.

(6) This section does not apply to the state lottery operated pursuant to chapter 24.

[16] Fla. Stat. Anno. § 849.094 (West Supp. 1993) states in pertinent part:

(1) As used in this section, the term:

(a) "Game promotion" means, but is not limited to, a contest, game of chance, or gift enterprise, conducted within or throughout the state and other states in connection with the sale of consumer products or services, and in which the elements of chance and prize are present. However, "game promotion" shall not be construed to apply to bingo games conducted pursuant to § 849.0931.

(b) "Operator" means any person, firm, corporation, or association or agent or employee thereof who promotes, operates, or conducts a game promotion, except any charitable nonprofit organization.

(2) It is unlawful for any operator:

(a) To design, engage in, promote, or conduct such a game promotion, in connection with the promotion or sale of consumer products or services, wherein the winner may be predetermined or the game may be manipulated or rigged so as to:

1. Allocate a winning game or any portion thereof to certain lessees, agents, or franchises; or

2. Allocate a winning game or any part thereof to a particular period of the game promotion or to a particular geographic area;

(b) Arbitrarily to remove, disqualify, disallow or reject any entry;

(c) To fail to award prizes offered;

(d) To print, publish, or circulate literature or advertising material used in connection with such game promotions which is false, deceptive, or misleading; or

(e) To require an entry fee, payment, or proof of purchase as a condition of entering a game promotion.

bling. The State's voters have twice rejected referenda which would have legalized casino gambling. In 1986, the most recent referendum, the Florida electorate approved the State lottery by a two-to-one margin but rejected casino gambling by the same margin. (Defendants' Motion for Summary Judgment, Ex. #3). In addition, the Florida Legislature has failed to pass several bills over the past few years which would have permitted charity casino night activities. (Joint Pretrial Stipulation at 9, ¶ 20).

As noted above, the permission of parimutuel betting and the operation of the State lottery indicates that some Class III activities are not repugnant to the State. However, both the Legislature and the State electorate have evinced their unwillingness to allow all but a few forms of Class III activities and those which are allowed are subject to strict regulation. With this in mind, we turn now to the Tribe's argument that the State in fact permits precisely those Class III activities about which the State refused to negotiate.

The Tribe first argues that the failure to prosecute casino nights held by some Florida charities reflects the State's permission of casino gambling. The following facts are not in dispute. Over the past three years, certain Florida charities have conducted casino or Las Vegas nights. These events include the use of blackjack tables, roulette wheels, crap tables, and other casino-like equipment. The events' patrons make a contribution to the sponsoring charitable organization and are given casino-like chips to be used to play the available casino-style games. At the end of the evening, the players may then use their chips to purchase or bid on *gifts* which have been donated to or purchased by the charity. (Joint Pretrial Stipulation at 8, ¶ 17). The Tribe submitted a list under seal of twenty-nine casino nights held during the period 1990-1992. Of these events, fifteen were held in Broward County, four in Dade County, six in Palm Beach

County, and one in both Collier and Martin Counties.[17] On March 23, 1993, the Tribe submitted a list of four more such events held in Broward County.

Additionally, The Florida Attorney General's office has had ten to fifteen calls about charitable casino nights within the past four years, asking about events where there would be casino-like gambling. The Attorney General's office received information regarding names of firms offering to sponsor these events and passed that information to the appropriate local states' attorneys offices. The Attorney General's office never learned if any action was taken at the local level and did not follow up to determine if anything illegal was discovered. (Joint Pretrial Stipulation at 8, ¶ 18).

On July 22, 1991, the Florida Attorney General wrote to each of the twenty State Attorneys informing them of the Tribe's compact request and stating:

[17] To obtain this list, the Tribe initially filed a motion to compel, and later a renewed motion to compel, against the promoter of these events. The Court referred these motions to United States Magistrate Judge Ted E. Bandstra to resolve. On November 6, 1992, Magistrate Judge Bandstra granted the Tribe's renewed motion to compel. Subsequently, the Tribe and the events' promoter reached an agreement whereby the list of the events was filed under seal with the Court on November 27, 1992, pursuant to the Joint Stipulation of Resolution of Seminole Tribe of Florida's Motion to Compel and Plaintiff's Renewed Motion to Compel Testimony and Production from [the Promoter] and Withdrawal of Motion.

In the Tribe's Notice of Filing Under Seal a List of 29 Charitable Las Vegas Night Events accompanying the actual list, the Tribe indicated that in his order of November 6, 1992, Magistrate Judge Bandstra's found that the promoter faced no threat of prosecution based on the disclosure of the list of casino night events. We assume that the Tribe points this out to support its contention that a State Attorney's failure to prosecute casino night events constitutes permission of casino gambling. The promoter filed an objection to the characterization of Magistrate Judge Bandstra's order. We specifically disregard any suggestions in the Tribe's Notice, and take notice only of the contents of the list filed under seal.

> [The Tribe] may also attempt to establish full fledged gambling casinos. The Seminoles justify these proposed activities in part on the fact that "casino nights" or "Las Vegas nights" are openly conducted by various charitable and non-profit organizations in Florida despite the clear prohibition against such activity outlined in Chapter 849, Florida Statutes (1989). Of great concern to me is the perception among some members of the law enforcement community, including prosecutors, that Casino Night or Las Vegas Night activities are lawful. This is simply not true. The people of Florida have repeatedly rebuffed attempts to legitimize casino type gambling.

On at least two occasions prior to the State Attorney General's letter, State Attorneys had written letters providing opinions that permit casino or Las Vegas nights under certain circumstances. The above quoted letter from the Attorney General was prompted by one of those State Attorney letters. The Attorney General received responses from three other State Attorneys agreeing with and supporting the letter's statement that casino night activities are illegal. (Joint Pretrial Stipulation at 8, ¶ 18). The Attorney General's office, both present and past, has consistently taken the position, through formal and informal opinions, that casino night activities are illegal. (Joint Pretrial Stipulation at 8, ¶ 18.1). The parties have stipulated that the casino night activities described above are not generally prosecuted due to budgetary and manpower constraints and the exercise of prosecutorial discretion on the part of state attorneys. (Joint Pretrial Stipulation, ¶ 21).

The Tribe has argued that the failure to prosecute charitable casino nights by local state attorneys is analogous to the situation in *Mashantucket supra*. We disagree. The Tribe is correct that the *Mashantucket* case centered on the operation of casino night activities by charitable

organizations in Connecticut. However, in that case, Connecticut, unlike Florida, officially sanctioned the operation of casino nights by way of statute. In contrast, the Tribe relies only on the discretionary decision not to prosecute sporadic casino night activities to evince the State's permission of casino gambling activities, notwithstanding the State Legislature's clear prohibitory declaration in the promulgation of its penal code.

The prosecutorial discretion involved in the enforcement of crimes is certainly one component in a state's public policy. The capacity to discern public policy, however, from the discretionary exercise of prosecutorial power is exceedingly difficult. The undisputed facts evidencing a strong public policy against casino-type activities cannot be substantially undermined by occasional and sporadic decisions made on a local level not to prosecute a discrete casino night conducted by a charity, due to manpower, financial constraints, and higher criminal priorities. First, the State Attorney General has emphasized repeatedly and over extended periods of time, in formal and informal opinions, that these activities remain illegal [18], and the Florida penal code is plain and unam-

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[18] For example, in response to the question of whether a "Law [sic] Vegas" party staged by a fraternal organization for the benefit of a crippled children's home was legal, the State Attorney General responded:

> The gambling laws make no exceptions in favor of fraternal orders of persons who participate in gambling schemes operated by such orders, even when the ultimate beneficiary is a worthy one. Said laws bear upon everybody equally and take no cognizance of who is to benefit from the operation of gambling schemes.
>
> Therefore your question is answered in the negative because in my opinion the described "Las Vegas" party would violate the criminal laws of Florida.

Op. Att'y. Gen. 056-20 (1956). (Exh. I, Defendants' Motion for Summary Judgment). As noted above, the State Attorney General recently reaffirmed this position in a letter sent out to all State Attorneys. This letter, written in reaction to two opinions from local state attorneys that such activities were legal, states:

> Of great concern to me is the perception among some members of the law enforcement community, including prosecutors, that Casino Night or Las Vegas Night activities are lawful. This is simply not true. The people of Florida have repeatedly rebuffed attempts to legitimize casino type gambling.

(Joint Pretrial Stipulation at 9, ¶ 18).

biguous on its face prohibiting these activities. Indeed, the parties have stipulated that the "Attorney General's office, both present and past, has consistently taken the position through formal and informal opinions that casino night activities are illegal." (Joint Pretrial Stipulation at p. 9, ¶ 18.1).

Second, the State electorate and its representatives have continuously rejected attempts to legalize casino gambling. (Joint Pretrial Stipulation at 9, ¶ 20). For example, the State's voters twice rejected referenda to legalize casino gambling. Most recently, in 1986, a proposed amendment to the Florida Constitution to allow casino gambling in hotels of 500 rooms or more was defeated by a two-to-one margin. (Defendant's Motion to Summary Judgment, Ex. 9). In addition, charity casino nights have also been the subject of several bills in the Florida legislature, and none of the bills have passed. (Joint Pretrial Stipulation at 9, ¶ 20).

Finally, desuetude has been reejected as a general theory of legislation by the Florida Supreme Court. In *State v. Egan*, 287 So.2d 1 (Fla. 1973), the defendant was charged with the common-law offense of nonfeasance. The defendant was indicted pursuant to a Florida statute which explicitly adopted English common law in relation to crimes, with certain exceptions, as the law of the State. The trial court ruled that the statute in question was unconstitutional on the grounds of vagueness and obsolescence, and the Florida Supreme Court reversed. It is the Florida Supreme Court's discussion of the argument re-

garding the obsolescence of the state statute which is relevant to the instant case. In rejecting the argument that the infrequent use of common law crimes to prosecute individuals had caused those crimes to cease to exist, the Florida Supreme Court observed:

> Our answer to this line of argument is that a legislative enactment may be repealed only by further legislation and not by time or changed conditions. . . . Simply stated, the general rule is that a statute is not repealed by nonuse. The argument set forth in the order of the lower court may be a cogent one when addressed to the legislature, yet courts of justice cannot and do not recognize such a policy as a basis for their decision.

287 So.2d at 7. The Tribe's argument that the failure of local prosecutors to prioritize and prosecute sporadic and apparently infrequent casino night activities converts an activity expressly prohibited by the penal code of the State into one which is permitted by the public policy of the State resembles the argument presented to and rejected by the Florida Supreme Court.

The record before the Court consists of a total of some thirty-three events held in four countries over a three year period. In a state with sixty-seven counties and more than thirteen million inhabitants, we do not believe that this evinces a public policy permitting casino gambling, especially when contrasted with the State's unambiguous penal statutes, the consistent prohibitory opinions of the State Attorney General over time, and the repeated votes of the State's electorate and its legislators prohibiting and rejecting casino gambling. The most that can be said regarding charitable casino night activities in Florida is that some State Attorneys in some counties on some occasions have chosen to prosecute other crimes as having higher priority, rather than the sporadic casino night event, based on the resources available to them.

Based on the record before us, and viewing the evidence in the light most favorable to the Tribe, we do not believe that the sporadic decision to decline to prosecute the occasional casino night in a handful of Florida counties can be said to constitute the State's permission of casino gambling. The Florida Legislature has plainly pronounced the public policy of the State, the people of the State have recently spoken twice, and the State Attorney Generals have repeatedly and consistently pronounced in formal and informal opinions that such casino night activities are illegal. The overwhelming weight of the evidence presented does not support the Tribe's position.

The Tribe also points to the fact that cruise ships docked in Florida possess gambling devices and embark passengers from Florida ports for the purpose of providing casino gaming for those passengers and that this too evinces a public policy toward casino gambling which is regulatory, rather than prohibitory, in nature. Several of these ships provide only day cruises with no destination other than the high seas for gambling purposes. It is these cruises on which the Tribe grounds its argument. While Fla. Stat. Anno. § 849.231(1) (West 1976) prohibits the possession of gambling paraphernalia, the ships at issue are expressly exempted from the prohibition by Fla. Stat. Anno. § 849.231(3) (West Supp. 1993). (Joint Pretrial Stipulation at 9, ¶ 19). However, notably no gambling occurs nor is it permitted within the territorial bounds of the State.

The Tribe argues nevertheless that the State's collection of a tax on these cruises manifests a public policy of permitting casino gambling. The State collects the tax pursuant to Fla. Stat. Anno. § 212.02(1) (West Supp. 1993). That statute provides in pertinent part:

> The term "admissions" means and includes the net sum of money after deduction of any federal taxes for admitting a person or vehicle or persons to any

> place of amusement, sport, or recreation or for the privilege of entering or staying in any place of amusement, sport, or recreation, including, but not limited to, theaters, outdoor theaters, shows, exhibitions, games, races, or any place where charge is made by way of sale of tickets, gate charges, seat charges, greens fees, participation fees, entrance fees, or other fees or receipts of anything of value measured on an admission or entrance or length of stay or seat box accommodations in any place where there is any exhibition, amusement, sport, or recreation . . .

Section 212.04 provides, in pertinent part:

> (1)(a) It is hereby declared to be the legislative intent that every person is exercising a taxable privilege who sells or receives anything of value by way of admissions.
>
> (b) For the exercise of such privilege, a tax is levied at the rate of 6 per cent of sales price, or the actual value received from, such admissions, which 6 per cent shall be added to and collected with all such admissions from the purchaser thereof . . .

Thus, the State collects a tax on these cruises pursuant to its broadly applicable admissions tax, a tax which applies to the many forms of amusement, sport, or recreation based in the State. The admissions tax is charged to customers of these cruises because these excursion tours are not considered "a transportation service." (Plaintiff's Supplemental Motion for Summary Judgment at 6). It should be observed, however, that the tax is not leveled at the gambling enterprise *per se, i.e.*, the amount of tax collected is wholly independent of the amount of gambling, if any, done on the high seas by an individual passenger. Indeed, a passenger who does not participate in the gambling activities offered onboard pays the same admissions tax as the passenger who does

participate. Moreover, the Tribe's interpretation of this tax in relation to the IGRA's requirements is overly broad. Each case interpreting the IGRA which found state permission of a Class III gaming activity presented some form of explicit legislative approval of the activity within the state's territory. The Tribe's theory would seem to place an affirmative duty on a state to eradicate means by which its citizens could legally gamble in other jurisdictions in order to demonstrate a public policy prohibiting Class III activities.[19] For the same reason, the Tribe's argument that the State's continued allowance of these cruises to use its ports must fail, especially in light of the fact that no gambling occurs within the State's boundaries. Thus, even when viewing the evidence before the Court in the light most favorable to the Tribe, we conclude that these cruises by foreign flag vessels cannot be fairly said to constitute permission of casino gambling by the State within the State and within the ambit of the IGRA.

Finally, we turn to the Tribe's argument that the State permits machine and computer-assisted gaming. The State's position is that Fla. Stat. Anno. §§ 849.15 and 849.16 (West & Supp. 1993) outlaw certain machines commonly known as slot machines. Therefore, this type of machine and computer-assisted gaming need not by [sic] included in the Tribe-State compact negotiations. The Tribe asserts that the machines used at some parimutuel facilities and in the operation of the Florida Lottery fall within the definition of Fla. Stat. Anno. § 849.16

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[19] A hypothetical may be illustrative. Imagine that an individual who owns casinos in New Jersey operated an airline with scheduled flights from Miami to Atlantic City for the sole purpose of bringing players to his halls. Passengers who bought their airplane tickets in Florida would pay the applicable sales tax to the State. Under the Tribe's theory, this would constitute the State's permission of gambling under the IGRA, a conclusion which is supported by neither the language of the IGRA nor the cases interpreting that statute.

(West Supp. 1993), and therefore the State "permits such gaming for any purpose by any person, organization or entity" within the meaning of 25 U.S.C. § 2710(d)(1)(B). The relevant statutes state in pertinent part:

> 849.16 Machines or devices which come within in provisions of law defined.—
>
> (1) Any machine or device is a slot machine or device within the provisions of this chapter if it is one that is adapted for use in such a way that, as a result of the insertion of any piece of money, coin, or other object, such machine or device is caused to operate or may be operated and if the user, by reason of any element of chance or of any other out come of such operation unpredictable to him, may:
>
> (a) Receive or become entitled to receive any piece of money, credit, allowance, or thing of value, or any check, slug, token, or memorandum, whether of value or otherwise, which may be exchanged for any money, credit, allowance, or thing of value or which may be given in trade; . . .
>
> 849.15 Manufacture, sale, possession, etc., of coin-operated devices prohibited.—
>
> It is unlawful:
>
> (1) To manufacture, own, store, keep, possess, sell, rent, lease, let on shares, lend or give away, transport, or expose for sale or lease, or to offer to sell, rent, lease, let on shares, lend or give away, or permit the operation of, or for any person to permit to be placed, maintained, or used or kept in any room, space, or building owned, leased or occupied by him or under his management or control, any slot machine or device of any part hereof; or
>
> (2) To make or to permit to be made with any person any agreement with reference to any slot machine or device, pursuant to which the user

> thereof, as a result of any element of chance or other outcome unpredictable to him, may become entitled to receive any money, credit, allowance, or thing of value or additional chance or right to use such machine or device, or to receive any check, slug, token or memorandum entitling the holder to receive any money, credit, allowance or thing of value.

In *Eccles v. Stone,* 183 So. 628 (Fla. 1938) and *Deeb v. Stoutamira,* 53 So.2d 873 (Fla. 1951), the Florida Supreme Court offered some guidance in the interpretaiton of these statutes. In *Eccles,* the Florida Supreme Court reviewed the history of the two statutes. In 1935, the Florida Legislature legalized "all sorts of slot machines or coin-operated gambling devices," with the provision that the vote by the majority of a county's electorate could prohibit their use within that county. 183 So. at 631. As noted by the Court,

> Within two years the operation of slot machines in Florida had become so obnoxious to the citizens of this State that the people of a great majority of the counties in the State had voted overwhelmingly to prohibit the operation of all slot machine devices licensed under the 1935 Act being operated thereafter in their respective counties, and a great majority of the members of the legislature of 1937 were pledged to their constituency to enact laws which would abolish the operation of slot machines in Florida. The opposition to slot machines was the direct result of the baneful and destructive effect which the operation of those machines had had upon the morals of the people of Florida of all ages and classes. It is a matter of common knowledge, of which we must take judicial cognizance, that the lure to play the slot machine had become so great as to undermine the morals of many and to lead to the commission of or the indulgence in vices and crimes to procure the coins with which to play the machines.

So the legislature of 1937 carried out the mandate of the majority of the people of the State, and the members their pledges to their constituency, to pass acts which would prohibit the operation of coin-operated gambling devices in this State and enacted Chapter 18143 [*i.e.*, the instant statutes].

It is also a matter of common knowledge that pursuant to the passage of that act the popular slot machine with its set of pictured wheels, its alluring jackpot and its pull lever, generally known as the one-armed bandit, faded away from the public places and immediately in the places where they had stood were set up the mechanical horse races, marble pin games and other coin-operated mechanical devices, adapted and fit for fast, easy gambling; and it is a matter of common knowledge, of which we cannot plead ignorance, that these machines are generally used as gambling devices and that the gambling element is the principal lure which causes them to be played by the public.

183 So. at 631. In *Deeb,* the Florida Supreme Court stated that, to violate the statutes at issue in the instant case, the "element of unpredictability" must be "inherent" in the machine itself. 53 So.2d at 874. Thus, the unpredictable outcome or chance, upon which the money or prize is awarded, must be part of the machine's operation. A review of the SAMS and lottery ticket machines indicates that they do not need [sic] this criterion.

Specifically regarding the SAMS, the description of these machines found in the Joint Pretrial Stipulation reveals that they are the automated equivalent of placing a bet at a live teller's window. Similarly, the lottery terminals operate as recording and ticketing devices, necessary in order to keep track of the individual combinations entered throughout the state. Neither type of machine falls within the scope of the legislative intent as recounted by the Florida Supreme Court in *Eccles.* More generally,

however, the Tribe attempts to read out of the statute the phrase "such machine . . . is caused to operate . . . and if the user, by reason or any element of chance or of any other outcome of such operation unpredictable by him, may" received money or a thing of value. Both the statutory language and *Deeb* indicate that the unpredictable event or element of chance which determines the winner must be linked to the machine's operation. Thus, the winner at a parimutuel facility is determined by the dog or horse race, not by the operation of the SAMS machines. Similarly, the winner of the State Lottery is determined by the weekly drawing in Tallahassee, not by the operation of the individual lottery ticket terminals.

In support of its position, the Tribe refers to *Rumsey Indian Rancheria of Wintun Indians, et al. v. Governor Pete Wilson, et al.,* Case No. CIV-S-92-812-GEB (E.D. Cal. July 16, 1993). We find the *Rumsey* case unpersuasive as applied to the particular facts of this case. In *Rumsey,* the Indian tribes argued that they were "entitled to play the electronic games on Indian land regardless of whether the equipment used may be deemed illegal slot machines so long as the State sponsors an identical type of game." *Rumsey* at 17. Thus, the tribes in *Rumsey* advocated a game-by-game evaluation of the electronic games they proposed. In contrast, in the instant case, the Tribe argues that the State's alleged permission of specific machines which violate Fla. Stat. Anno. § 849.16 (West Supp. 1993) make machine or computer-assisted games of any type mandatory subjects of negotiation. This parallels the Tribe's earlier argument, which we rejected, that the permission of one type of Class III activity places all types of Class III activity on the negotiation table. In addition, in *Rumsey,* the court observed that "State has authorized the State Lottery to operate electronic games virtually identical to the electronic games requested by the Tribes" and that "it appears that equipment similar if not identical to that proposed by the Tribes is currently employed by the State in its electronic gaming operations." *Rumsey* at 18.

In the instant case, the Tribe has made no such argument and the undisputed facts compel a different conclusion. The Tribe's proposal to the State indicated that it seeks to use machine or computer-assisted games to duplicate poker, bingo, pull-tabs, lotto, punch boards, tip jars, instant bingo, or other games (Joint Pretrial Stipulation at 4, ¶ 2), games which are clearly not identical to the SAMS and lottery ticket machines. Thus, the court's conclusion in *Rumsey* that the tribes should be allowed to negotiate regarding the operation of electronic games "virtually identical" to electronic games operated by the California Lottery is not opposite to the instant case on the record presented to the Court.

Based on the record before the Court, and viewing all evidence in a light most favorable to the Tribe, we conclude that the State does not permit the operation of gambling devices in contravention to Fla. Stat. Anno. §§ 495.15 and 495.16 (West 1976 & Supp. 1993) and that the machine or computer-assisted games proposed by the Tribe are not mandatory subjects of negotiation under the IGRA.

In conclusion, it is the holding of the Court first that the IGRA does not require all Class III gaming activities to be included in compact negotiations merely because the State permits specific Class III gaming activities in some form; and second that, contrary to the Tribe's argument, the State does not permit those specific types of Class III gaming activities which it now seeks to include in the Tribe-State compact negotiations. Having concluded that these proposed Class III activities need not be included in the compact negotiations, we hold that the State has not violated the IGRA's good faith requirement by refusing to include them in the negotiations. Accordingly, it is hereby

ORDERED AND ADJUDGED that Defendant's Motion for Summary Judgment is GRANTED and the Plaintiff's Motion for Summary Judgment and Supplemental Motion for Summary Judgment are DENIED. It is further

ORDERED AND ADJUDGED that the Defendant shall submit a proposed order of final judgment within fifteen (15) days of the date of this Order.

DONE AND ORDERED in Miami, Florida this 22 day of September, 1993.

/s/ Stanley Marcus
STANLEY MARCUS
United States District Judge
Southern District of Florida

cc: Counsel of record

APPENDIX D

[Filed Apr. 28, 1994]

IN THE UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT

No. 93-5256

SEMINOLE TRIBE OF FLORIDA,
Plaintiff-Appellant,

versus

STATE OF FLORIDA DEPARTMENT OF HEALTH AND REHABILITATIVE SERVICES; LAWTON CHILES,
Governor of the State of Florida,
Defendants-Appellees.

On Appeal from the United States District Court
for the Southern District of Florida

ORDER:

Appellant's motion to continue stay of this appeal pending disposition of pending petition for writ of certiorari in appeal No. 92-4652 is granted.

/s/ Harold B. Tjoflat
Chief Judge

APPENDIX E

[Filed Apr. 28, 1994]

IN THE UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT

No. 92-4652

SEMINOLE TRIBE OF FLORIDA,
Plaintiff-Appellee,

versus

STATE OF FLORIDA; LAWTON CHILES,
Governor of the State of Florida,
Defendants-Appellants.

On Appeal from the United States District Court
for the Southern District of Florida

ORDER:

Appellee's motion to stay issuance of the mandate pending petition for writ of certiorari is granted.

/s/ Harold B. Tjoflat
Chief Judge

APPENDIX F

[Filed Apr. 6, 1994]

IN THE UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT

No. 92-4652

SEMINOLE TRIBE OF FLORIDA,
Plaintiff-Appellee,

versus

STATE OF FLORIDA; LAWTON CHILES,
Governor of the State of Florida,
Defendants-Appellants.

On Appeal from the United States District Court
for the Southern District of Florida

ON PETITION(S) FOR REHEARING AND
SUGGESTION(S) OF REHEARING EN BANC

Before: TJOFLAT, Chief Judge, BLACK, Circuit Judge, and JOHNSON, Senior Circuit Judge.

PER CURIAM:

(X) The Petition(s) for Rehearing are DENIED and no member of this panel nor other Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc (Rule 35, Federal Rules of Appellate Procedure; Eleventh Circuit Rule 35-5), the Suggestion(s) of Rehearing En Banc are DENIED.

ENTERED FOR THE COURT:

/s/ Harold B. Tjoflat
Chief Judge

APPENDIX G

STATUTORY PROVISIONS

§ 2710. Tribal gaming ordinances

(a) Exclusive jurisdiction of Class I gaming activity

(1) Class I gaming on Indian lands is within the exclusive jurisdiction of the Indian tribes and shall not be subject to the provisions of this chapter.

(2) Any class II gaming on Indian lands shall continue to be within the jurisdiction of the Indian tribes, but shall be subject to the provisions of this chapter.

(b) Regulation of Class II gaming activity; net revenue allocation; audits; contracts

(1) An Indian tribe may engage in, or license and regulate, class II gaming on Indian lands within such tribe's jurisdiction, if—

(A) such Indian gaming is located within a State that permits such gaming for any purpose by any person, organization or entity (and such gaming is not otherwise specifically prohibited on Indian lands by Federal law), and

(B) the governing body of the Indian tribe adopts an ordinance or resolution which is approved by the Chairman.

A separate license issued by the Indian tribe shall be required for each place, facility, or location on Indian lands at which class II gaming is conducted.

(2) The Chairman shall approve any tribal ordinance or resolution concerning the conduct, or regulation of class II gaming on the Indian lands within the tribe's jurisdiction if such ordinance or resolution provides that—

(A) except as provided in paragraph (4), the Indian tribe will have the sole proprietary interest and responsibility for the conduct of any gaming activity;

(B) net revenues from any tribal gaming are not to be used for purposes other than—

(i) to fund tribal government operations or programs;

(ii) to provide for the general welfare of the Indian tribe and its members;

(iii) to promote tribal economic development;

(iv) to donate to charitable organizations; or

(v) to help fund operations of local government agencies;

(C) annual outside audits of the gaming, which may be encompassed within existing independent tribal audit systems, will be provided by the Indian tribe to the Commission;

(D) all contracts for supplies, services, or concessions for a contract amount in excess of $25,000 annually (except contracts for professional legal or accounting services) relating to such gaming shall be subject to such independent audits;

(E) the construction and maintenance of the gaming facility, and the operation of that gaming is conducted in a manner which adequately protects the environment and the public health and safety; and

(F) there is an adequate system which—

(i) ensures that background investigations are conducted on the primary management officials and key employees of the gaming enterprise and that oversight of such officials and their management conducted on an ongoing basis; and

(ii) includes—

(I) tribal licenses for primary management officials and key employees of the gaming enterprise with prompt notification to the Commission of the issuance of such licenses;

(II) a standard whereby any person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming shall not be eligible for employment; and

(III) notification by the Indian tribe to the Commission of the results of such background check before the issuance of any of such licenses.

(3) Net revenues from any class II gaming activities conducted or licensed by any Indian tribe may be used to make per capita payments to members of the Indian tribe only if—

(A) the Indian tribe has prepared a plan to allocate revenues to uses authorized by paragraph (2)(B);

(B) the plan is approved by the Secretary as adequate, particularly with respect to uses described in clause (i) or (iii) of paragraph (2)(B);

(C) the interests of minors and other legally incompetent persons who are entitled to receive any of the per capita payments are protected and preserved and the per capita payments are disbursed to the parents or legal guardian of such minors or legal incompetents in such amounts as may be necessary for the health, education, or welfare, of the minor or other legally incompetent person under a plan ap-

proved by the Secretary and the governing body of the Indian tribe; and

(D) the per capita payments are subject to Federal taxation and tribes notify members of such tax liability when payments are made.

(4)(A) A tribal ordinance or resolution may provide for the licensing or regulation of class II gaming activities owned by any person or entity other than the Indian tribe and conducted on Indian lands, only if the tribal licensing requirements include the requirements described in the subclauses of subparagraph (B)(i) and are at least as restrictive as those established by State law governing similar gaming within the jurisdiction of the State within which such Indian lands are located. No person or entity, other than the Indian tribe, shall be eligible to receive a tribal license to own a class II gaming activity conducted on Indian lands within the jurisdiction of the Indian tribe if such person or entity would not be eligible to receive a State license to conduct the same activity within the jurisdiction of the State.

(B)(i) The provisions of subparagraph (A) of this paragraph and the provisions of subparagraphs (A) and (B) of paragraph (2) shall not bar the continued operation of an individually owned class II gaming operation that was operating on September 1, 1986, if—

(I) such gaming operation is licensed and regulated by an Indian tribe pursuant to an ordinance reviewed and approved by the Commission in accordance with section 2712 of this title,

(II) income to the Indian tribe from such gaming is used only for the purposes described in paragraph (2)(B) of this subsection,

(III) not less than 60 percent of the net revenue is income to the Indian tribe, and

(IV) the owner of such gaming operation pays an appropriate assessment to the National Indian

Gaming Commission under section 2717(a)(1) of this title for regulation of such gaming.

(ii) The exemption from the application of this subsection provided under this subparagraph may not be transferred to any person or entity and shall remain in effect only so long as the gaming activity remains within the same nature and scope as operated on October 17, 1988.

(iii) Within sixty days of October 17, 1988, the Secretary shall prepare a list of each individually owned gaming operation to which clause (i) applies and shall publish such list in the Federal Register.

(c) Issuance of gaming license; certificate of self-regulation

(1) The Commission may consult with appropriate law enforcement officials concerning gaming licenses issued by an Indian tribe and shall have thirty days to notify the Indian tribe of any objections to issuance of such license.

(2) If, after the issuance of a gaming license by an Indian tribe, reliable information is received from the Commission indicating that a primary management official or key employee does not meet the standard established under subsection (b)(2)(F)(ii)(II) of this section, the Indian tribe shall suspend such license and, after notice and hearing, may revoke such license.

(3) Any Indian tribe which operates a class II gaming activity and which—

(A) has continuously conducted such activity for a period of not less than three years, including at least one year after October 17, 1988; and

(B) has otherwise complied with the provisions of this section may petition the Commission for a certificate of self-regulation.

(4) The Commission shall issue a certificate of self-regulation if it determines from available information,

and after a hearing if requested by the tribe, that the tribe has—

(A) conducted its gaming activity in a manner which—

(i) has resulted in an effective and honest accounting of all revenues;

(ii) has resulted in a reputation for safe, fair, and honest operation of the activity; and

(iii) has been generally free of evidence of criminal or dishonest activity;

(B) adopted and is implementing adequate systems for—

(i) accounting for all revenues from the activity;

(ii) investigation, licensing, and monitoring of all employees of the gaming activity; and

(iii) investigation, enforcement and prosecution of violations of its gaming ordinance and regulations; and

(C) conducted the operation on a fiscally and ecomically sound basis.

(5) During any year in which a tribe has a certificate for self-regulation—

(A) the tribe shall not be subject to the provisions of paragraphs (1), (2), (3), and (4) of section 2706(b) of this title;

(B) the tribe shall continue to submit an annual independent audit as required by subsec. (b)(2)(C) of this section and shall submit to the Commission a complete resume on all employees hired and licensed by the tribe subsequent to the issuance of a certificate of self-regulation; and

(C) the Commission may not assess a fee on such activity pursuant ot section 2717 of this title in excess of one quarter of 1 per centum of the gross revenue.

(6) The Commission may, for just cause and after an opportunity for a hearing, remove a certificate of self-regulation by majority vote of its members.

(d) Class III gaming activities; authorization; revocation; Tribal-State compact

(1) Class III gaming activities shall be lawful on Indian lands only if such activities are—

(A) authorized by an ordinance or resolution that—

(i) is adopted by the governing body of the Indian tribe having jurisdiction over such lands,

(ii) meets the requirements of subsection (b) of this section, and

(iii) is approved by the Chairman,

(B) located in a State that permits such gaming for any purpose by any person, organization, or entity, and

(C) conducted in conformance with a Tribal-State compact entered into by the Indian tribe and the State under paragraph (3) that is in effect.

(2)(A) If any Indian tribe proposes to engage in, or to authorize any person or entity to engage in, a class III gaming activity on Indian lands of the Indian tribe, the governing body of the Indian tribe shall adopt and submit to the Chairman an ordinance or resolution that meets the requirements of subsection (b) of this section.

(B) The Chairman shall approve any ordinance or resolution described in subparagraph (A), unless the Chairman specifically determines that—

(i) the ordinance or resolution was not adopted in compliance with the governing documents of the Indian tribe, or

(ii) the trial governing body was significantly and unduly influenced in the adoption of such ordinance or resolution by any person identified in section 2711 (e)(1)(D) of this title.

Upon the approval of such an ordinance or resolution, the Chairman shall publish in the Federal Register such ordinance or resolution and the order of approval.

(C) Effective with the publication under subparagraph (B) of an ordinance or resolution adopted by the governing body of an Indian tribe that has been approved by the Chairman under subparagraph (B), class III gaming activity on the Indian lands of the Indian tribe shall be fully subject to the terms and conditions of the Tribal-State compact entered into under paragraph (3) by the Indian tribe that is in effect.

(D)(i) The governing body of an Indian tribe, in its sole discretion and without the approval of the Chairman, may adopt an ordinance or resolution revoking any prior ordinance or resolution that authorized class III gaming on the Indian lands of the Indian tribe. Such revocation shall render class III gaming illegal on the Indian lands of such Indian tribe.

(ii) The Indian tribe shall submit any revocation ordinance or resolution described in clause (i) to the Chairman. The Chairman shall publish such ordinance or resolution in the Federal Register and the revocation provided by such ordinance or resolution shall take effect on the date of such publication.

(iii) Notwithstanding any provision of this subsection—

(I) any person or entity operating a class III gaming activity pursuant to this paragraph on the date on which an ordinance or resolution described in clause (i) that revokes authorization for such class III gaming actiivty is published in the Federal Register may, during the 1-year period beginning

on the date on which such revocation ordinance or resolution is published under clause (ii), continue to operate such activity in conformance with the Tribal-State compact entered into under paragraph (3) that is in effect, and

(II) any civil action that arises before, and any crime that is committed before, the close of such 1-year period shall not be affected by such revocation ordinance or resolution.

(3)(A) Any Indian tribe having jurisdiction over the Indian lands upon which a class III gaming activity is being conducted, or is to be conducted, shall request the State in which such lands are located to enter into negotiations for the purpose of entering into a Tribal-State compact governing the conduct of gaming activities. Upon receiving such a request, the State shall negotiate with the Indian tribe in good faith to enter into such a compact, the State shall negotiate with the Indian tribe in good faith to enter into such a compact.

(B) Any State and any Indian tribe may enter into a Tribal-State compact governing gaming activities on the Indian lands of the Indian tribe, but such compact shall take effect only when notice of approval by the Secretary of such compact has been published by the Secretary in the Federal Register.

(C) Any Tribal-State compact negotiated under subparagraph (A) may include provisions relating to—

(i) the application of the criminal and civil laws and regulations of the Indian tribe or the State that are directly related to, and necessary for, the licensing and regulation of such activity;

(ii) the allocation of criminal and civil jurisdiction between the State and the Indian tribe necessary for the enforcement of such laws and regulations;

(iii) the assessment by the State of such activities in such amounts as are necessary to defray the costs of regulating such activity;

(iv) taxation by the Indian tribe of such activity in amounts comparable to amounts assessed by the State for comparable activities;

(v) remedies for breach of contract;

(vi) standards for the operation of such activity and maintenance of the gaming facility, including licensing; and

(vii) any other subjects that are directly related to the operation of gaming activities.

(4) Except for any assessments that may be agreed to under paragraph (3)(C)(iii) of this subsection, nothing in this section shall be interpreted as conferring upon a State or any of its political subdivisions authority to impose any tax, fee, charge, or other assessment upon an Indian tribe or upon any other person or entity authorized by an Indian tribe to engage in a class III activity. No State may refuse to enter into negotiations described in paragraph (3)(A) based upon the lack of authority in such State, or its political subdivisions, to impose such a tax, fee, charge, or other assessment.

(5) Nothing in this subsection shall impair the right of an Indian tribe to regulate class III gaming on its Indian lands concurrently with the State, except to the extent that such regulation is inconsistent with, or less stringent than, the State laws and regulations made applicable by any Tribal-State compact entered into by the Indian tribe under paragraph (3) that is in effect.

(6) The proviisons of section 1175 of Title 15 shall not apply to any gaming conducted under a Tribal-State compact that—

(A) is entered into under paragraph (3) by a State in which gambling devices are legal, and

(B) is in effect.

(7)(A) The United States district courts shall have jurisdiction over—

(i) any cause of action initiated by an Indian tribe arising from the failure of a State to enter into negotiations with the Indian tribe for the purpose of entering into a Tribal-State compact under paragraph (3) or to conduct such negotiations in good faith,

(ii) any cause of action initiated by a State or Indian tribe to enjoin a class III gaming activity located on Indian lands and conducted in violation of any Tribal-State compact entered into under paragraph (3) that is in effect, and

(iii) any cause of action initiated by the Secretary to enforce the procedures prescribed under subparagraph (B)(vii).

(B)(i) An Indian tribe may initiate a cause of action described in subparagraph (A)(i) only after the close of the 180-day period beginning on the date on which the Indian tribe requested the State to enter into negotiations under paragraph (3)(A).

(ii) In any action described in subparagraph (A)(i), upon the introduction of evidence by an Indian tribe that—

(I) a Tribal-State compact has not been entered into under paragraph (3), and

(II) the State did not respond to the request of the Indian tribe to enegotiate such a compact or did not respond to such a request in good faith,

the burden of proof shall be upon the State to prove that the State has negotiated with the Indian tribe in good faith to conclude a Tribal-State compact governing the conduct of gaming activities.

(iii) If, in any action described in subparagraph (A) (i), the court finds that the State has failed to negotiate in good faith with the Indian tribe to conclude a Tribal-State compact governing the conduct of gaming activities, the court shall order the State and the Indian Tribe to conclude such a compact within a 60-day period. In determining in such an action whether a State has negotiated in good faith, the court—

(I) may take into account the public interest, public safety, criminality, financial integrity, and adverse economic impacts on existing gaming activities, and

(II) shall consider any demand by the State for direct taxation of the Indiain tribe or of any Indian lands as evidence that the State has not negotiated in good faith.

(iv) If a State and an Indian tribe fail to conclude a Tribal-State compact governing the conduct of gaming activities on the Indian lands subject to the jurisdiction of such Indian tribe within the 60-day period provided in the order of a court issued under clause (iii), the Indian tribe and the State shall each submit to a mediator appointed by the court a proposed compact that represents their last best offer for a compact. The mediator shall select from the two proposed compacts the one which best comports with the terms of this Act and any other applicable Federal law and with the findings and order of the court.

(v) The mediator appointed by the court under clause (iv) shall submit to the State and the Indian tribe the compact selected by the mediator under clause (iv).

(vi) If a State consents to a proposed compact during the 60-day period beginning on the date on which the proposed compact is submitted by the mediator to the State under clause (v), the proposed compact shall be treated as a Tribal-State compact entered into under paragraph (3).

(vii) If the State does not consent during the 60-day period described in clause (vi) to a proposed compact submitted by a mediator under clause (v), the mediator shall notify the Secretary and the Secretary shall prescribe, in consultation with the Indian tribe, procedures—

(I) which are consistent with the proposed compact selected by the mediator under clause (iv), the provisions of this chapter and the relevant provisions of the laws of the State, and

(II) under which class III gaming may be conducted on the Indian lands over which the Indian tribe has jurisdiction.

(8)(A) The Secretary is authorized to approve any Tribal-State compact entered into between an Indian tribe and a State governing gaming on Indian lands of such Indian tribe.

(B) The Secretary may disapprove a compact described in subparagraph (A) only if such compact violates—

(i) any provision of this chapter,

(ii) any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands, or

(iii) the trust obligations of the United States to Indians.

(C) If the Secretary does not approve or disapprove a compact described in subparagraph (A) before the date that is 45 days after the date on which the compact is submitted to the Secretary for approval, the compact shall be considered to have been approved by the Secretary, but only to the extent the compact is consistent with the provisions of this chapter.

(D) The Secretary shall publish in the Federal Register notice of any Tribal-State compact that is approved,

or considered to have been approved, under this paragraph.

(9) An Indian tribe may enter into a management contract for the operation of a class III gaming activity if such contract has been submitted to, and approved by, the Chairman. The Chairman's review and approval of such contract shall be governed by the provisions of subsections (b), (c), (d), (f), (g), and (h) of section 2711 of this title.

(e) Approval of ordinances

For purposes of this section, by not later than the date is 90 days after the date on which any tribal gaming ordinance or resolution is submitted to the Chairman, the Chairman shall approve such ordinance or resolution if it meets the requirements of this section. Any such ordinance or resolution not acted upon at the end of that 90-day period shall be considered to have been approved by the Chairman, but only to the extent such ordinance or resolution is consistent with the provisions of this chapter.

(Pub.L. 100-497, § 11, Oct. 17, 1988, 102 Stat. 2472.)